



UNCLAIMED PROPERTY REPORTING

Scope: Louisiana State University and A&M College, LSU Agricultural Center, Pennington Biomedical Research Center, LSU Eunice, LSU Alexandria, and LSU Shreveport

Effective: June 1, 2021

Purpose

The Louisiana Uniform Unclaimed Property Act (Louisiana Revised Statutes 9:151-182) requires businesses and others to review their records each year to determine whether they are in the possession of any monies, funds, securities, or other intangible personal property that have been unclaimed for the required dormancy period. A report and remittance of unclaimed property is required on an annual basis.

To Whom This Policy Applies

This policy applies to all LSU departments tasked with policy development and implementation as well as employees responsible for identifying and reporting unclaimed property in accordance with the Louisiana Unclaimed Property Act. Financial Accounting & Reporting (FAR), a division of Accounting Services, is responsible for remitting unclaimed property in accordance with the Uniform Unclaimed Property Act on behalf of the University.

Definitions

- **UNIVERSITY** - Louisiana State University and A&M College, LSU Agricultural Center, and Pennington Biomedical Research Center, LSU Eunice, LSU Alexandria, and LSU Shreveport
- **DEPARTMENT** – Unit, college, school, or organization
- **UNCLAIMED PROPERTY** – Tangible or intangible money or assets held by an organization that have gone unclaimed or “abandoned” by the owner and for which the organization has not had contact with for one year or more.
- **DORMANCY PERIOD** – The period of time during which the owner of the property does not take action on his property.
- **HOLDER** – A person obligated to hold for the account of, deliver or pay to, the owner of the property that is subject to this statute.
- **DUE DILIGENCE** – The use of reasonable and prudent methods under particular circumstances to locate apparent owners of inactive or dormant accounts.
- **FEDERAL FUNDS** - Title IV Funds which include Federal Direct Subsidized Stafford Loan, Federal Direct Unsubsidized Stafford Loan, Federal Direct Parent PLUS Loan, Federal Direct Graduate PLUS Loan, Federal Supplemental Education Opportunity Grant, and Federal Pell Grant Program. Higher Education Emergency Relief Fund (HEERF), Coronavirus Aid, Relief, and Economic Security

Act (CARES), Coronavirus Response and Relief Supplemental Appropriations (CRRSAA), & American Rescue Plan Act (ARP) are also considered Federal Funds.

General Policy

The University is subject to the state of Louisiana's Unclaimed Property Act when it is a holder of unclaimed property. The Act requires the University to exercise due diligence in attempting to locate apparent owners. If owners cannot be contacted, the University must annually report and remit certain unclaimed property to the State.

Federal regulations require that all unclaimed Federal Funds must be returned to the US Department of Education, appropriate federal lender, or guaranty agency after 240 days.

Unclaimed Property

The University's unclaimed property consists of outstanding checks and account credit balances. These properties are to be held no longer than one year (240 days for Federal Funds) after the check becomes payable.

Examples of such unclaimed property include, but are not limited to:

- Payroll checks
- Vendor payments
- Travel and expense reimbursements
- Tuition refund checks
- Student account credit balances
- Student stipend checks
- Rent deposits or overpayments
- Royalty payments
- Sponsor refunds

Each department is responsible for an annual review of customer accounts to identify credit balances or refunds due to customers. If unclaimed property is identified, the following steps should be followed by the department:

1. Perform due diligence on all credit balances in accounts receivable over \$50 that have been inactive (no contact with the owner) for at least one year and a maximum of three years.
2. Once this process is complete, the information shall be forwarded to Financial Accounting & Reporting (FAR) for proper report filing and remittance to the Louisiana State Treasury.
3. Each year, this information is due to FAR by October 1.

Due Diligence

Before reporting unclaimed property, the University is required to exercise due diligence in attempting to notify the owner of amounts \$50 or greater with information on how to claim property. The holder of property presumed abandoned shall send written notice to the apparent owner not more than one hundred twenty days and not less than sixty days before filing the report required by the Act. The University fulfills this obligation by sending correspondence to the last known address or email address of the owner of the property.

For all checks containing Federal Funds, the due diligence process will take place semi-annually to ensure Title IV and all Federal regulations are upheld.

Unclaimed Property Report

The report of unclaimed property shall be filed and all non-federal funds transferred to the Louisiana State Treasury before November 1 of each year. Supplemental reports and funds to the fiscal year being filed can be submitted after November 1 when necessary. The report must be submitted electronically through a secure portal on the Louisiana State Treasury’s website in the required NAUPA (National Association of Unclaimed Property Administrators) format. The report and funds transferred by October 31 include unclaimed property for the previous fiscal year dated July 1 through June 30.

Retention of Records

The University is required to file a report under R.S. 9:159 and shall maintain its records containing the information for ten years after the date of filing.