

Common Myths about Unclaimed Property Reporting

As the foremost authority on unclaimed property, the National Association of Unclaimed Property Administrators (NAUPA) provides resources to holders, the person or business in possession of unclaimed property, to assist in their reporting obligation. There are several myths and misconceptions associated with unclaimed property reporting:

1. **It's voluntary:** One common myth is that reporting unclaimed property to the state is optional. In reality, most states have laws that require businesses and organizations to report and remit unclaimed property when certain conditions are met. Failure to comply with these laws can result in penalties and fines.
2. **It only applies to large corporations:** Unclaimed property laws apply to a wide range of businesses and organizations, including small businesses, non-profits, government entities, and more. The threshold for reporting varies by state, so even relatively small businesses may have unclaimed property obligations.
3. **You can keep the unclaimed property as revenue:** Some may mistakenly believe that when property goes unclaimed, they can keep it as revenue. In reality, the purpose of unclaimed property laws is to protect the rightful owners of the assets. Businesses and organizations are merely custodians until the property can be returned to its owners.
4. **You don't have to report if you've made efforts to find the owner:** Making due diligence efforts to locate the owner is important, but it doesn't absolve a business from its reporting obligations. The state's unclaimed property program is responsible for reuniting owners with their property, so reporting is still required.
5. **It's a one-time process:** Unclaimed property reporting is an ongoing process. Businesses and organizations must regularly review their records and identify unclaimed property. Reporting deadlines vary by state, but they typically occur annually.
6. **Only financial institutions need to report:** While financial institutions like banks and insurance companies do have significant unclaimed property obligations, other industries also have reporting requirements. Retailers, utilities, healthcare providers, and various other businesses can all hold unclaimed property that must be reported.
7. **You can ignore it if your business is not registered to do business in a state:** Businesses may mistakenly believe that they only need to report unclaimed property in their home state, or where they are registered to do business. However, businesses are typically required to report property to the state of the owner's last known address (regardless of whether the business is registered there), which can be any state.
8. **It's not a priority for regulators:** Unclaimed property compliance is taken seriously by state regulators, and they actively audit businesses to ensure compliance. Ignoring unclaimed property reporting obligations can lead to legal and financial consequences.

To avoid legal issues and penalties, businesses should be aware of their unclaimed property reporting obligations, maintain proper records, and stay informed about the specific requirements in the states where they operate.

For more information visit unclaimed.org/report and start your search at missingmoney.com

Common Myths about Unclaimed Property

What is Unclaimed Property? Unclaimed property refers to assets or financial holdings that have been abandoned by their rightful owners and turned over to a state office for custodial safekeeping until the owner claims them. There are several common myths and misconceptions surrounding unclaimed property:

1. **It's only money:** While unclaimed property often includes money such as forgotten bank accounts, uncashed checks, and dormant savings bonds, it can also encompass a wide range of other assets, including jewelry, stocks, insurance benefits, safe deposit box contents, and more.
2. **It's rare:** Unclaimed property is more common than many people think. 1 in 7 individuals and businesses has unclaimed property waiting for them. It can result from simple oversights like moving without updating your address or forgetting about old accounts.
3. **It's a windfall for the government:** States do not keep unclaimed property to enrich themselves and typically don't take ownership of the property. Instead, they serve as custodians to protect these assets until the rightful owners come forward to claim them. States maintain databases and make efforts to reunite owners with their property.
4. **You lose ownership after a certain period:** Generally there are no statutes of limitations for claiming unclaimed property. In most cases, you can claim your property from the state even after many years of it being unclaimed.
5. **It's only for the deceased:** While it's true that unclaimed property can belong to individuals who have passed away, it's not exclusive to them. Anyone with unclaimed assets, including living individuals and businesses, can have property turned over to the state.
6. **You need to pay to search for unclaimed property:** You can always search for unclaimed property on state-run websites or missingmoney.com for free. Avoid companies that charge you to search for or claim your unclaimed property, as these may be scams.
7. **It's not worth the effort to claim:** Some people might assume that the amount of unclaimed property is insignificant or not worth the effort to claim. However, the value of unclaimed property can vary widely, and you could be surprised by what you find. Even small amounts can add up over time.
8. **It's always a quick and easy process:** While claiming unclaimed property can be straightforward for some assets, it may involve documentation and verification to prove your ownership. The process can vary depending on the type of property and the state's requirements.

To determine if you have any unclaimed property, consider visiting your state's official unclaimed property website. A clickable map to every program's site exists on the homepage of unclaimed.org or you can look nationwide with a single search at missingmoney.com.

For more information visit unclaimed.org and start your search at missingmoney.com