



Holder Outreach Newsletter

California Unclaimed Property Program

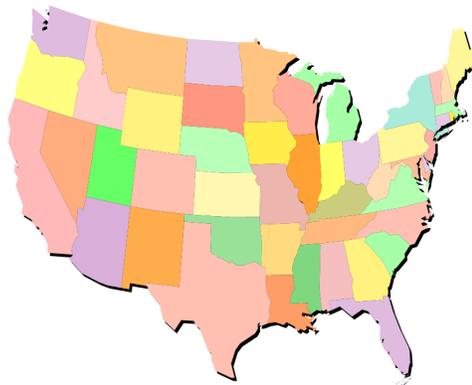
This newsletter is intended to keep all businesses, financial organizations and other holders of unclaimed property well informed. It highlights important news, useful information, and changes pertaining to unclaimed property in order to assist holders with California reporting requirements.

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Rules of Jurisdiction

We would like to remind unclaimed property holders that property for owners with a last known address in California must be reported to California.



Under California law, unclaimed property owners must be notified by the state that their property has been reported and will escheat to the state of California unless they contact the holder to prevent the transfer of their property. This requirement cannot be met if the holder reports the property to another state.

It's important to note that the receiving state cannot indemnify the holder for property not belonging to that state; holders will still be subject to California's interest penalty for any late reports.

Holders must follow California reporting instructions and report California property directly to the California State Controller's Office (SCO).

The rules of jurisdiction to assist holders in properly filing unclaimed property reports are as follows:

1. Primary Rule of Jurisdiction
Property is reportable to the state of the owner's last known address.
2. Secondary Rule
If the address is unknown, property is reportable to the holder's state of domicile.
3. Transaction Rule
Traveler's checks, money orders and similar written instruments are reportable in the state where the transaction occurred (money order was purchased).



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Rules of Jurisdiction

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Property must be reported according to the laws of the entitled state, not the receiving state. Even if another state is willing to accept “incidental” unclaimed property on behalf of California, the holder will still be liable for any penalties or interest assessed by the SCO. Reports that are remitted incorrectly may also be subject to a late filing interest assessment.

Importance of Reporting Complete Owner Information

The importance of holders providing accurate and complete owner information is critical to the SCO outreach efforts, and to its commitment and responsibility to reunite owners with their property.

An “Owner” is any person having a legal or equitable interest in property held by a holder (property may have more than one owner). Each holder is responsible for providing complete and accurate owner information relating to accounts escheated to the state. The reported owner account information should include all of the following:

1. **First and last name;**
2. **Social Security number;**
3. **Last known address;**
4. **Account number on record;**
5. **Property amount and type; and**
6. **Starting Transaction Date**
(date of last contact).

Business owner accounts should include:

1. **Complete business name;**
2. **Taxpayer identification number;**
3. **Last known address;**
4. **Account number on record;**
5. **Property amount and type; and**
6. **Starting Transaction Date**
(date of last contact).

Owner addresses are cross-referenced with the Franchise Tax Board, and the Social Security number is the identifier used to retrieve the most current address information. The SCO then mails pre-escheat notices to this address notifying owners that their property may escheat to the state if they do not contact the holder at the phone number provided in Section C “Property Owner Contact” of the Universal Holder Face Sheet (UFS-1) form and as entered in the HOLDER-CONTACT2 field of the NAUPA II electronic file.

Incomplete information on the UFS-1 or electronic report may result in the report being rejected by the SCO, customer dissatisfaction, or even litigation. If a Holder Notice or Remit Report is rejected the holder may incur additional penalties if the subsequent corrected report is submitted past the due date.





Common Reporting Errors & Tips for a Successful Report

To help ensure unclaimed property reports are accepted on the first submittal, the following list highlights some common errors that cause delays when noticing owners or may cause reports to be rejected.

- Missing Social Security Numbers
The California Administrative Code specifies that if the Social Security number (SSN) or taxpayer identification number of the owner is contained in the records of the holder, the holder must list the SSN along with the items of property reported. The state will ensure the confidentiality of the owner SSN.
- Date of Last Contact
The dates of last contact are mandatory to ensure properties are reported in a timely manner. Additionally, reporting of an incorrect date of last contact may result in the property being deemed late and interest may be assessed.
- Incomplete Holder Face Sheet (UFS-1)
The UFS-1 must be submitted as the face sheet with each report. This form is a legal document and must include the total number of properties, as of date, holder information, contact number, and original signature. The contact information in Section C of the UFS-1 must match the contact information on the electronic report "Holder Contact II." This is the contact information provided to owners on the pre-escheat notices mailed by the SCO.
- Additional Names on Holder Remit Report
The Holder Remit Report cannot contain any additional owner names or properties than were listed on the Holder Notice Report. Any additional properties will be returned to the holder and SCO will send supplemental notice letters. Late interest assessments (if any) will apply.

- More Than One Owner Name in a Field
When completing owner name information only one last name and one first name should appear in each record. Business or trust names should be reported as one name in the last name field.
- Report Totals Must Balance
The total on the UFS-1 needs to match the electronic report total, and remittance must be sent to SCO with the Holder Remit Report (if sent with the Holder Notice Report it will be returned).
- Invalid Format
The NAUPA II Standard Electronic File Format (or paper format for less than ten properties) are the only valid report formats in California. Paper reports for ten or more properties are not acceptable and will be rejected.
- Blank Discs
Blank or unformatted discs do not fulfill reporting requirements and replacement discs may subject the report to a late interest assessments.
- Invalid Property / Relationship Codes
Only NAUPA II Standard codes are accepted. The codes are listed in the Unclaimed Property Holder Handbook, available on our website at:
http://www.sco.ca.gov/upd_rptg.html
- Missing Inventory for Safekeeping Reports
When remitting Safekeeping reports, a complete inventory is required on the electronic report.

The Unclaimed Property Holder Handbook, Reporting Quick Guide, NAUPA II Standard File Format instructions and the link for free reporting software is on our website at:

http://www.sco.ca.gov/upd_form_rptg.html



Important Upcoming Dates



October 31: HOLDER NOTICE REPORTS due.

December 1-15: HOLDER REMIT REPORTS and REMITTANCES due for life insurance companies.



☀ The SCO offers a free email subscription service to receive updates and notices about unclaimed property law, forms, the quarterly newsletter & more.

To subscribe visit:

http://www.sco.ca.gov/upd_rptg_outreach.html

Contact Us:

**California State Controller's Office
Unclaimed Property Division
P.O. Box 942850
Sacramento, CA 94250-5873
www.sco.ca.gov**

Reporting Assistance: (916) 464-6284

Claims Assistance: (800) 992-4647
(outside USA) (916) 323-2827



1577 Interest Assessment Unit: (916) 464-6092
(for CA CCP §1577 inquiries)

1577info@sco.ca.gov

Questions regarding securities:
UPDSecRecon@sco.ca.gov

Questions regarding EFT Remittance:
UPDSOEft@sco.ca.gov

We want your input!

Please send us your newsletter comments, ideas, or concerns to: UPDHolderOutreach@sco.ca.gov

