UNCLAIMED PROPERTY

Mitigate risk with a proactive plan for unclaimed property reporting and management

Do you have the right aging, tracking and reporting procedures in place to comply with state unclaimed property laws?

Are you reporting all property types relevant to your business?

Are you currently facing an unclaimed property audit?

Have you had significant merger and acquisition activity? If so, were unclaimed property liabilities addressed and resolved?

Tangible or intangible personal property that has gone unclaimed by the rightful owner for a specified period of time is considered unclaimed property and must be reported to the appropriate state by the holder. Many companies are unaware of these requirements and may unknowingly be in violation of state regulations.

Does your company have any of the following?

- Uncashed checks (accounts payable/vendor, payroll, refund, dividends, benefits, etc.)
- Unapplied cash
- Customer credits and overpayments
- Dormant bank accounts
- Unredeemed gift cards
- Stock and other securities
- Third party administered plans

All of the above are common types of unclaimed property. States are aggressively enforcing unclaimed property laws and hundreds of companies are audited each year. The result? Substantial penalties and interest, along with unnecessary time spent defending against audit assessments.

It is a problem that does not go away. Many jurisdictions have limited or no statute of limitations for unclaimed property. If your records do not cover the state’s look-back period, the state of incorporation or organization may sample and extrapolate your liabilities. Interest is imposed, and penalties for failure to report can be assessed on up to 100 percent of the value of any property that should have been reported. You can mitigate these risks with proper administration and management. RSM can help.

Unclaimed property services

RSM’s unclaimed property practice includes state and local tax professionals with diverse backgrounds in tax, controversy and industry. We understand the complexities associated with unclaimed property issues and can help you improve compliance, strengthen internal controls, mitigate risk and more effectively allocate your resources.

Risk assessment and process review

Our team will review your records to determine your level of compliance with state unclaimed property laws, giving you a clear picture of your exposure. We then can help you develop process improvements to close compliance gaps and control your risk.

Areas for review include:

- Legal entity structure
- Merger and acquisition history
- Historical filings
- Audit and notice history
- Current procedures
- Accounting records
Exposure quantification and voluntary disclosure agreements

Many companies address unclaimed property exposure through voluntary compliance. Our team can quantify your risk by reviewing your records and calculating your liability based on actual data, as well as through sampling or extrapolation methodologies. We then consider how any available statutory exemptions or applicable administrative positions may mitigate your exposure.

Armed with a detailed understanding of your unclaimed property risk and unclaimed property laws, we work directly with state unclaimed property administrators, helping you obtain favorable outcomes, such as limited look-back periods and waivers of interest and penalties.

Audit mitigation and controversy

If you face an unclaimed property audit, you need a knowledgeable adviser in your corner. RSM places special emphasis on developing an audit strategy that will address key concerns, such as audit scope, data gathering, identification of reductions and settlement negotiation.

Our state and local tax professionals have specialized knowledge and strong working relationships with state unclaimed property administrators and the third-party contractors that are often involved in these proceedings. We will work with them to reach a favorable resolution for you.

Compliance

Addressing unclaimed property may be one more distraction that you don't need. We offer a cost-effective, turnkey unclaimed property solution that lets you enhance your internal controls while redeploying your resources from clerical duties to more productive activities. Our unclaimed property professionals will:

- Identify applicable statutory exemptions and reduction positions
- Generate required due diligence letters
- Prepare annual unclaimed property reports

Consulting

Our unclaimed property team can help you map out your own solution or work with you on specific issues as they arise. Our unclaimed property consulting solutions include:

- Policy and procedure development
- Employee training
- State-specific research

A trusted adviser

The RSM unclaimed property team has the solid combination of risk mitigation, process improvement and controversy resolution experience to help you manage your exposure to abandoned and unclaimed property risk. We will work with you to create a reporting process that complies with state unclaimed property laws and allows your team to focus on strategic business goals.

We understand that you want to focus on your strategy, your growth, and on driving your business forward. Unclaimed property compliance is one more administrative headache that stands in your way—a headache we can help you diagnose and cure, letting you control your risk while maintaining your focus.