

RESOLUTION 12-01

**A RESOLUTION OF THE CITY OF WHITE HOUSE, TENNESSEE, ADOPTING
POLICIES AND PROCEDURES FOR UNCLAIMED PROPERTY REPORTING FOR
THE CITY OF WHITE HOUSE, TENNESSEE.**

WHEREAS, the governing body of this city desires to establish methods to provide policies on reporting and disposing of unclaimed property; and

NOW, THEREFORE, the Board of Mayor and Aldermen of the City of White House do hereby establish by resolution Policies and Procedures for Unclaimed Property Reporting.

This resolution shall be effective upon passage.

Adopted this 16th day of February 2012.



Michael Arnold, Mayor

ATTEST:



Amanda Priest, City Recorder

POLICIES AND PROCEDURES FOR UNCLAIMED PROPERTY REPORTING

EFFECTIVE: 03/01/2012

OBJECTIVE:

To provide policies on reporting and disposing of unclaimed property.

POLICY:

General Policy

1. The City of White House is subject to the state of Tennessee's Uniform Disposition of Unclaimed Property Act when the last known address of the owner is in Tennessee, in a foreign country, or is unknown, in accordance with the Unclaimed Property Law, *Tennessee Code Annotated* 66-21-101 et seq. and Regulations 1700-2-1-.01 through 1700-2-1-37. This act requires the city to exercise due diligence in attempting to locate owners of unclaimed property in its custody and to annually report certain unclaimed property to the state. Additionally, the state of Tennessee accepts unclaimed property for which the owner's last known address is in another state or commonwealth of the U.S. The state reciprocally reports this property on behalf of the city to the appropriate state or commonwealth.

Unclaimed Property

2. Tennessee's Unclaimed Property Law applies to unclaimed property items (1) that the city owes to or is holding for other organizations or individuals and (2) for which the city has had no contact with the owner for a minimum of one year up to the maximum statutory period of five years.
3. Unclaimed property includes, but is not limited to:
 - a. Uncashed payroll checks
 - b. Uncashed disbursement checks
 - c. Uncashed refund checks
 - d. Uncashed miscellaneous checks
 - e. Unidentified remittances
 - f. Credit balances in accounts receivable
4. Non-cash items are considered "lost and found" items. These items are not considered to be unclaimed property and should not be reported to the state.

Due Diligence

5. Before reporting unclaimed property as described above, the city is required to exercise due diligence in attempting to notify the property owner of amounts \$50 or greater with information on how to claim property. Sending first-class or registered mail to the last known address of the property owner constitutes due diligence. Letters must be sent

during the “Due Diligence Window” specified by the state Treasurer on the reporting date. (Property under \$50 requires no due diligence letter and is submitted to the state along with other unclaimed amounts from the same calendar year.)

6. Mail returned as “undeliverable” is evidence that the owner cannot be located. If the owner cannot be located, the property should be considered abandoned and be reported to the state as unclaimed property.
7. Unreturned mail is considered a contact (presumably, the owner has received the notification and is now aware of the property’s location). If contact is established, the property is no longer considered to be abandoned and should not be reported to the state. If the owner does not claim the property or provide the city with directions for disposing of the property within 90 days of the date of contact, the city may then assume ownership of the property.

Unclaimed Property Report

8. Tennessee law requires the annual filing of the unclaimed Property Report for all unclaimed property. The report can be submitted on the pre-printed form provided by the state Treasurer’s Office, on a tape, or on a diskette.
 - a. Reports must be filed with the state Treasurer on or before May 1 of each year and must include property presumed abandoned held as of December 31 of the appropriate reporting year. The maximum abandoned period for the city is five years. The state Treasurer may grant one 30-day extension provided a written request is received on or before May 1. Unclaimed Property Reports should be mailed or delivered to:

State Treasurer
Unclaimed Property Division
Andrew Jackson Building, Ninth Floor
Nashville, TN 37243-0242

Timetable for Unclaimed Property

9. The following timetable describes the year’s schedule for reporting unclaimed property.

December 31

End of reporting year.

January 1 – February 28

Finance office perform due diligence on appropriate items considered abandoned.

May 1

Reports, verification forms and unclaimed property (cash) are due in the state Treasurer’s Office.

Disposition of Non-Cash Items (Lost and Found)

10. Abandoned non-cash items may be:
 - a. Sold at a public auction or by sealed bids
 - b. Donated to a local charity (if not purchased through a public sale); or
 - c. Discarded or destroyed if not valuable.

11. The following provisions apply to certain types of valuable property:
 - a. **Jewelry** must be appraised and a minimum sales price established. If appraised at little or no value, the jewelry should be discarded.
 - b. **Coins** that appear to have a market value substantially higher than face value should be appraised and a minimum sales price set.
 - c. **Firearms** should be disposed of in accordance with local statutes.
 - d. **Dangerous items** (items of a combustible nature that are dangerous to store) should be safely disposed of as soon as possible.
 - e. **Illegal items** should be disposed of in accordance with instructions from proper legal authorities.

Confiscated Property

12. Confiscated property will not be considered abandoned and should be treated as city surplus property for disposal purposes. Confiscated firearms and other hazardous items should be disposed of in accordance with local statutes.

QUICK TIPS

Make Checks Payable To:	Treasurer State of Tennessee Reference Unclaimed Property on your check. Include FEIN on check.
Mail Reports To:	Treasury Department Unclaimed Property Division P.O. Box 198649 Nashville, TN 37219-8649
Remit and Report Due Date:	May 1 of current year For all property presumed abandoned as of December 31 of prior year.
Aggregate Instructions	Due diligence is required for all properties \$50 and above. Provide owner detail information on properties under \$50.
Due Diligence	Required 60 to 120 days prior to submission. Costs may NOT be charged to the owner's account.
Record Retention	10 years after property becomes reportable.
Negative Reports	Not required at this time.
Notarized Signature Required	CFO notarized signature required.
Penalties	See Penalty Calculation Sheet

