Abandoned & Unclaimed Property
Trying to Make Cents of the Law and How It Applies to Your Campus Card

Melissa Neidigh, University of Montana
Can you answer these questions?

1. What is unclaimed & abandoned property?

2. What is your process for handling abandoned property?

3. What are the state or provincial statutes that cover abandoned property?

4. How does this apply to your campus card program?
WELCOME
Melissa Neidigh
Associate Director of Operations - UM Housing
GRIZ CARD CENTER

established 1993

2.9 million annual card swipes

Support 4 Campuses

17,000 active cardholders

Online Photo Submission App

10 Campus Systems Integrations

2.25 FTE & 3 Students

159,000 debit/card transactions

Self Funded Operation
"property held or owing in the ordinary course of business that the owner has not claimed for a certain period of time (the dormancy period)."

--Christopher J. Hopkins, CPA in a Tax Adviser article
includes

Uncashed payroll checks
Uncashed vendor checks
Unapplied AR credit balances
→ Dormant bank & brokerage accounts
→ Unredeemed gift cards
Life insurance policies
→ Customer refunds & rebates
Content of safe deposit boxes
All 50 states and the District of Columbia have AUP laws. Under the laws, businesses holding AUP must turn the property over to the state after the dormancy period.
Disclaimers:
• I am not a lawyer.
• I am not an auditor.
• The story you are about to hear is true. The names have been changed to protect the good, the bad, and the ugly.
BACKGROUND

Terms & Conditions

- Explained fees
- Explained refund policy
- Explained process if T&C changed
- Explained process for dormant accounts
Montana Department of Revenue has selected UM for an audit of unclaimed property.
Field examination will include reviewing the following:
• Unclaimed property policy and procedures.
• Internal audit documentation on unclaimed property.
• List of open and closed Griz Card, UMoney, Bear Bucks accounts and any similar accounts.
The Meeting
JANUARY 2016

• Reviewed our Blackboard system
• Met with Business Services, Internal Audit and the state auditors
• Clarifying data requested
• Disagreed over whether the Griz Card SVA accounts fall under the unclaimed property schedule
UM and MT DOR reached agreement on what records and what they could and could not do with records.

87,935 records (lines of data) sent in original request
Included accounts with last transaction dates of 6/30/16 or prior

Determined we could not assess the administrative fee

<table>
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<tr>
<th>AUP amount due</th>
<th>AUP</th>
<th>INTEREST</th>
<th>PENALTY</th>
<th>TOTAL</th>
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The Objection
DECEMBER 2017
Advised by OCHE to pay what we think we owe.
More Information Needed
JANUARY 2018

• Receive a second letter asking for additional information
• In response we suggest a site visit
The Meeting (#2)  
FEBRUARY 2018

- Return for a site visit
- Review data record by record
- Answered questions from January letter
The Final Determination Letter
MARCH 2018

$178,012.04  ORIGINAL (Nov. 2017)
$32,409.13   WE PAID (Dec. 2017)
$83,227.56   NEW AMOUNT

$115,636.69  TOTAL
2 years & nine months
What We Learned
Before 8,079 Accounts requiring clean-up

After

On average, each month:

131 9 month notifications
116 12 month notifications
7 refunds disbursed
How can you be prepared?
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