Digging the Gold out of the Great Iowa Treasure Hunt

9:30 a.m.-10:00 a.m.

Presented by:
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At some point in our careers, a client will come into our office to discuss money at the Great Iowa Treasure Hunt. Or, perhaps, a client is holding property wants to turn it over to the treasurer’s office. There are several pieces of information and tips that have proven useful (in my experience) and they are as follows:

General Information

Iowa Code § 556 governs the “Disposition of Unclaimed Property.” The Iowa Administrative Rules provides further guidance on handling unclaimed property under 781 – 9.1 thru 9.30. If you are advising a holder of unclaimed property on how to handle the disposition of those funds, be sure to read both the Code and the Rules. The Code provides guidance on the following:

- 556.2 - banking organizations or financial organizations or business associations (defined broadly enough to include law firms)
- 556.2A – traveler’s checks and money orders
- 556.2B – checks, drafts, and similar instruments
- 556.2C – outstanding state warrants
- 556.3 – life insurance corporations
- 556.3A – demutualization proceeds
- 556.4 – utility companies
- 556.5 – stocks and other intangible interests
- 556.6 – dissolution of certain entities
- 556.7 – fiduciaries
- 556.8 – state courts, public officers and agencies
- 556.9 – miscellaneous person property (wages, gift certificates)
- 556.9A – out-of-state property issues within Iowa
- 556.9B – U.S. savings bonds
- 556.10 – reciprocity for property abandoned under laws of different state

Reporting Abandoned Property

Before abandoned property is turned over to the Great Iowa Treasure Hunt, there are several steps that must be followed. Iowa Code § 556.11 provides that every person holding abandoned funds must make a report to the treasurer’s office with certain information regarding the funds, including, but not limited to, the following:
1. Name of the presumed owner (and any prior known names)
2. Last known address
3. Social security number or tax identification number
4. Nature of the funds and any identifying number (contract number, annuity number, account numbers, etc.)
5. Date the property became payable
6. Date of last transaction with owner re the property

The holder of the property is required to communicate with the owner and “take necessary steps to prevent abandonment from being presumed.” Iowa Code § 556.11(5). Failing to do so may result in a $5 charge to the holder in limited circumstances. Iowa Code § 556.11(5). There are specific rules for preventing abandonment relative to the type of asset, so be sure to review the Code to insure compliance before turning over property to the treasurer’s office.

Finders (a/k/a Bounty Hunters)

The state treasurer’s office provides the Great Iowa Treasure Hunt service free of charge. There are individuals, however, that contact people who have funds waiting to be claimed and offer to collect those funds, for a fee (hereinafter, to referred to as “finders”). Iowa law provides the following:

1. If the funds have been paid to the State Treasurer within twenty-four (24) months of when the property was delivered to the State Treasurer’s office, contracts to assist in the retrieval of the funds are unenforceable. Iowa Code § 556.11(10)
2. Fee agreements made after twenty-four (24) months are valid only if the fee is not greater than 15% of the value, and the agreement is:
   a. In writing and signed by the owner;
   b. Discloses the nature and value of the property; and
   c. Discloses the name and address of the person in possession. Iowa Code § 556.11(10)
3. Only a person who is licensed as a private investigation business pursuant to Chapter 80A is permitted to make such fee contracts. Iowa Code § 556.11(10)
4. The claim form must be signed by the apparent owner as a claim form signed by a finder is not acceptable. All communication will be sent directly to the claimant. Iowa Administrative Rule 781-9.14(2)
5. A signed, dated and notarized copy of any agreement or contract between a finder and an owner shall be included with the filing of a claim. A handwritten agreement or
contract will not suffice. Iowa Administrative Rule 781-9.14(2)

And don’t worry – attorneys with a bona fide fee contract are not considered finders. Iowa Code § 556.11(10).

**Making a Claim**

The process of making a claim depends on two main items – (1) who is making the claim (owner, heir, estate, etc.) and (2) the amount of unclaimed property. Make sure you read the instructions carefully, as there can be several pieces of supporting documentation needed to complete your claim.

*Owner is Alive*

If you are making a claim for property under $200, the process is fairly straightforward. Fill out the form, provide the required documentation, and mail it in. You will need to provide a copy of your driver’s license and your social security number. You must also have a document showing the reported address as it appears on the claim form (in some cases). There may be some additional information you may have to provide, such as stock certificates or affidavit of lost stock certificate.

*Owner is Deceased*

If you are a court appointed executor or administrator and have letters of appointment, you must provide that documentation. If the estate was probated, but is now closed, you must provide copies of the estate documents, in addition to a completed Affidavit of Administration. Depending on the amount of the unclaimed property, the Great Iowa Treasure Hunt may require a closed estate to be reopened. If there was never a formal probate process, then you must provide an Affidavit of Administration and a copy of an obituary and death certificate. Depending on the amount, and how long it has been since the owner died, the Great Iowa Treasure Hunt may require an estate to opened.

**Timing**

There is no time frame to make a claim. The Great Iowa Treasure Hunt will hold your funds until you, or an heir, makes a claim (they will, however, auction off the contents of unclaimed safe deposit boxes on eBay). They are sitting on millions of dollars of cash and unclaimed property and will continue to hold those funds until a rightful owner makes a claim.
Complex Claims

A claim may be complex because of the size or an ownership dispute. The state treasurer may hold a hearing and receive evidence regarding the claim. Iowa Code § 556.20. The treasurer’s office may also require the claimant to furnish a surety bond (at cost to the claimant) before releasing the funds. Iowa Code § 556.20.

Tips and Suggestions

1. Always make sure you include a photocopy of a driver’s license. Even if it is a personal representative making the claim.
2. Include a copy of a document verifying the owner’s social security number.
3. If your current address is not the same as the reported address at the time of the funds were surrendered, then you may need to include a federal W-2 form, pay stub, bank statement, or original postmarked envelope showing the reported address.
4. If the claimant’s name has changed, provide proof of name change (marriage certificate, divorce decree, name change order, etc.).
5. If the claim is for a joint account, each surviving claimant must provide documentation. If a joint owner is deceased, provide a copy of the death certificate.
6. The administrative rules provide additional guidance for specific claimants, such as:
   a. Claims by business entities (IAC 781-9.18)
   b. Claims to custodial property under UTMA (IAC 781-9.21)
   c. Claims by guardian or conservator (IAC 781-9.17(6))