



California State Controller Malia M. Cohen Unclaimed Property Division

How to Reduce Your Unclaimed Property Liability

Nearly all businesses have unclaimed property such as uncashed payroll checks, vendor payments, overpayments, refunds, or inactive accounts. To reduce the number of unclaimed properties a business must report and remit to the state, a business should focus on the key elements outlined below.

CONTACT

- Maintain or reestablish contact with customers, vendors, and employees to avoid properties from becoming dormant.
- Send [due diligence](#) notices prior to the property exceeding the [dormancy period](#) and becoming reportable, as required by the [Unclaimed Property Law](#) (UPL).
- Respond to owner contacts resulting from due diligence notices in order to reissue or reactivate dormant properties.
- Let California's [two-report process](#) work for you. Submit a Notice Report by November 1 (or May 1 for life insurance companies) identifying properties that remain unclaimed after due diligence has been performed. California sends additional [letters](#) to owners identified on the Notice Report telling owners to contact you to claim their property before it is sent to the state.
- Respond to owner contacts resulting from the state's notices and reissue or reactivate applicable properties.

REUNIFICATION

- Reunite the owner with their property by reissuing or reactivating [dormant property](#) if a customer contacts you at any point before the property is required to be sent to the state.
 - For many property types, owner contact alone can reestablish and reactivate the date of last activity on dormant property and prevent it from being reportable as unclaimed property.
 - For other property types, any owner-initiated activity on an account (such as increasing or decreasing the balance) can reestablish the date of last activity and reactivate the account.

With California's [two-report process](#), property remains with the business until the second step, the Remit Report. If contact efforts by either the business or the state are successful prior to the Remit Report due date, the business reunifies the property with the owner directly and does not send it to the state.

What if the contact and reunification efforts are unsuccessful?

Once the dormancy period has passed and there has been no successful owner contact (by the business or by the state) or reunification of the property, submit a Remit Report between June 1-15 (or December 1-15 for life insurance companies) and transfer the property to the State. The UPL gives California citizens a single source, the State Controller's Office (SCO), to check for and [claim unclaimed property](#), and a way for businesses to remove unclaimed liabilities from their books and records. The SCO safeguards unclaimed property until it is returned to the rightful owner.

Helpful Tips to Reduce Liabilities

To reduce unclaimed property liabilities, businesses should practice consistent recordkeeping; preserve contact with their clients, vendors, and employees; and maintain compliance with unclaimed property laws and regulations. Use these tips to help reduce your unclaimed property liabilities.



Prepare a timeline and calendar for important steps in the unclaimed property reporting process.



Establish written procedures for managing unclaimed property and responding to owners of dormant accounts.



Identify responsible personnel and plan for employee turnover.



Conduct internal training on handling unclaimed property.



Monitor changes in unclaimed property laws and [sign up](#) to receive important email notices from SCO.



Include unclaimed property information on websites, in newsletters, or via other customer contact tools.



Make address change forms or website links easily available to maintain customer contact.



Be prompt in updating contact information.



Be responsive to owners of dormant accounts. Do not refer them to the state until the property has been transferred.

Attend a Free Webinar



Visit the [Trainings and Tutorials page](#) on the State Controller's website to sign up.

We're Here to Help!

The Outreach and Compliance Unit (OCU) educates holders through webinars, speaking engagements, and more. Contact the OCU with unclaimed property questions or to schedule one-on-one assistance.

Outreach & Compliance Unit

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[GoReport.sco.ca.gov](https://www.sco.ca.gov/GoReport)