

POLICY: Unclaimed Funds Policy

ESTABLISHED: New

RESOLUTION NO.: Not Applicable; **DATE:** Not Applicable

I. Unclaimed Funds

The City of Richmond will account for unclaimed funds in a manner which follows Government Code Sections 50050 through 50057. Funds that remain unclaimed for at least three (3) years will become the property of the City of Richmond after the procedures identified herein have been followed.

A. Purpose

The purpose of this policy is to establish guidelines for the proper disposition of and accounting for unclaimed funds. In accordance with the California Government Code Sections 50050 through 50057, money that is not the property of the City of Richmond (City) that remains unclaimed for a period of three years will become the property of the City after certain notice procedures are followed.

B. Definitions and Details

1. Definitions

- a) Unclaimed Funds - Consists of funds which are not the property of the City but remain in the City Treasury for three (3) or more years without a claim being filed by the legal owner(s). Unclaimed funds do not include individual items of less than \$15.00, any amounts in which the depositor's name is unknown, or restitution to victims.
- b) Warrant – Instrument issued to pay for goods and/or services rendered, issue refunds, etc. (i.e. a check).
- c) Stale Dated – A check that is older than six (6) months.
- d) Escheat – refers to state escheat laws that require agencies to transfer unclaimed property or funds to the state after three years and reasonable efforts to locate the property owner.

2. Guidelines

The City of Richmond has established the policy to hold unclaimed Payroll, Accounts Payable, General Liability, and Worker Compensation checks rather than escheating the unclaimed funds to the State of California.

This unclaimed funds policy applies to all outstanding Payroll, Accounts Payable, General Liability, and Workers Compensation checks abandoned three years after the issue date.

3. Procedures: Items over \$15.00

- a) Quarterly during the bank reconciliation process, the outstanding warrant register will be reviewed for items six (6) months and older. For warrants six months and older, a letter (Exhibit A) and affidavit of unclaimed monies claim form (Exhibit B) will be mailed to the address on record for the issued warrant, and the warrant will be identified as stale dated.
- b) Every June 30th and December 31st, (final evaluation dates) all remaining outstanding warrants will be evaluated. Any warrants issued more than 12 months prior to evaluation date will receive a second letter and affidavit form. If no response is received within 30 days the warrant will be identified as unclaimed. A journal entry shall be prepared to record the total amount of unclaimed checks in a holding account called "Aged Unclaimed Warrants".
- c) A list of stale dated and unclaimed warrants containing the warrant number, issue date, amount, and payee shall be maintained by the Finance Department. If a cancelled warrant is presented, or the payee files a claim after cancellation, the warrant shall be voided and reissued according to standard procedure, and the original warrant shall be removed from this list.
- d) Also, on June 30th and December 31st, the stale dated list shall be evaluated to determine which warrants are more than 3 years old from the date of issue. Warrants that are more than 3 years old will be handled as follows:
 - (1) A notice must be published once a week for two consecutive weeks in a newspaper of general circulation in the City of Richmond stating the payee, the amount, the fund in which the money is held, and that it is proposed that the money will become the property of the City of Richmond on a specific date (not less than 45 nor more than 60 days after the first publication) in accordance with Government Code Section 50051. See Exhibit C for example.
 - (2) Upon or prior to publication, a party of interest may file a claim (Exhibit B) for the funds with the Finance Director. The claim must contain the claimant's name, address, amount, tax identification number, and grounds for claim prior to the date the funds become property of the City of Richmond. The Finance Director can request additional information to help substantiate the claim.

- d) At the expiration of the three-year period, money representing restitution collected on behalf of victims shall be deposited into a Restitution Fund or used by the City of Richmond for the purpose of victim services in accordance with Government Code Section 50050. The City must document that it has made a reasonable effort to locate and notify the victim to whom the restitution is owed.

Exhibit A
Sample notification letter to be mailed

mm, dd, yyyy

Vendor Name

Address

City, State, Zip Code

Vendor # 1693

Re: Un-cashed check

The City of Richmond issued **check #10007826** on **5/31/2001** in the amount of **\$500.00**.

A review of the records indicates that this check is still outstanding and has not been cashed. By completing the attached affidavit of unclaimed monies claim form you are acknowledging that the above mentioned check was not received or was lost and has not been presented for payment by the payee, therefore requesting a re-issuance. Please return the completed affidavit of unclaimed monies claim form to:

City of Richmond
Finance Department / Accounts Payable
450 Civic Center Plaza
P.O. Box 4046
Richmond CA 94804-0046

If you have this check, please return it for reissuance; do not cash the check, as it will no longer be honored by the City bank.

If you have any questions please feel free to contact **Accounts Payable** at **510-620-6740** or by email at **accounts_payable@ci.richmond.ca.us**

Sincerely,

Accounts Payable

Exhibit B
City of Richmond
Affidavit of Unclaimed Monies

I, _____, hereby declare that I am the depositor of the unclaimed money, their heir, beneficiary, or duly appointed representative of check number _____, issued by the City of Richmond, in the amount of \$_____ (“unclaimed monies”), dated _____ and the name of the Payee shown is _____.

Indicate below what happened to the original check– mark on the box and explain.

- () The above check was not received.
- () The above check was destroyed by _____.
- () The above check was lost by me on _____.
- () Other _____.
- () The above check is attached. The check was not cashed within six months and has become stale dated.
- () The above check was not received, deposited, or cashed, however there are no outstanding payments due to me from the City of Richmond.

I have an interest in the unclaimed monies, am entitled to the full amount thereof, request that a replacement check be issued to me, and agree that if the above warrant is received I will promptly return it to the City of Richmond Finance Department.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED AT _____, on DATE

Print Name

Daytime Phone Number

Signature

Address

City

State

Zip Code

Exhibit C

Sample Notice to be Published in Local Newspaper

Notice is hereby given that the City of Richmond is holding funds for the below listed individual(s). If said funds are not claimed by **mm, dd, yyyy**, these funds will become the property of the City of Richmond in accordance with California Government Code Sections 50050 – 50057. These funds may be released to the depositor, their heir, beneficiary, or duly appointed representative provided a claim form has been completed with the necessary information.

The Affidavit of Unclaimed Money Claim form is available at the City of Richmond, Finance Department, 450 Civic Center Plaza, Richmond, CA 94804, on the City's website (<http://www.cityofrichmond.ca.us>), or by calling **[Name]**, **925-671-####**. Required claim information includes name, address, phone number, tax identification number or social security number, amount of claim, and grounds on which the claim is founded. Once a claim is submitted, the **Director of Finance** will determine what, if any, additional information is necessary.

<i>Name</i>	<i>Transaction Date</i>	<i>Dollar Amount</i>
Vendor A		
Vendor B		
Vendor C		