ARKANSAS AUDITOR OF STATE
DENNIS MILLIGAN

UNCLAIMED Property Holder Seminar 2026

Identifying Reportable Property & Due Diligence

SEPTEMBER 2026

Scan for PDFs of this slideshow

Where can I search for unclaimed property for my business ?

MissingMoney.com is a free, official web portal endorsed by the National Association of Unclaimed Property Administrators (NAUPA) and most U.S. state governments. The site serves as a central database to help reunite people with their unclaimed property.

MissingMoney.com also includes a link to each state's unclaimed property website so you could inquire about unclaimed within that state

Presenters

- Andrew Mudgett, Counsel II

  Kroll Government Solutions

  Andrew.Mudgett@kroll.com

- Michael Unger, Unclaimed Property Practice Leader

  Kodiak Solutions

  Michael.Unger@kodiaksolutions.io

Overview

- Identifying Reportable Property
- Determining Dormancy
- Due Diligence Requirements
- Case Studies

Identifying Reportable Property

"Property" means tangible property described in § 18-28-203 or a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. Includes:

- Money, a check, draft, deposit, interest, or dividend;
- Credit balance, customer's overpayment, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance;
- Stock or other evidence of ownership of an interest in a business association or financial organization;
- A bond, debenture, note, or other evidence of indebtedness;
- Money deposited to redeem stocks, bonds, coupons, or other securities or to make distributions;
- An amount due and payable under the terms of an annuity or insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance; and
- An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

Identifying Reportable Property (cont'd)

"Property" does not include:

- Gift certificates, gift cards, in-store merchandise credits, or layaway accounts issued or maintained by a person in the business of selling tangible personal property at retail;
- A patronage dividend, capital credit, customer deposit, or non negotiated payment check that does not exceed one hundred dollars ($100) held or owing by an agricultural farm supply cooperative association organized under the laws of this state; or

Identifying Reportable Property (cont'd)

"Property" does not include:

- Funds distributable from a trust or custodial account established by a State of Arkansas-supported retirement system administered by an agency of the State of Arkansas under a plan to provide a defined benefit pension plan that is qualified for tax deferral under the income tax laws of the state.

Identifying Reportable Property (cont’d)

Property Type Codes & Abandonment Periods

Account Balances Due			Insurance		
Yrs	Code	Description	Yrs	Code	Description
3	AC01	Checking Accounts	3	IN01	Individual Policy Benefits or Claim Payments
3	AC02	Savings Accounts	3	IN02	Group Policy Benefits or Claim Payments
3	AC03	Mature CD or Save Cert	3	IN03	Proceeds Due Beneficiaries
3	AC04	Christmas Club Funds	3	IN04	Proceeds from Matured Policies, Endowments or Annuities
3	AC05	Money on deposit to secure fund	3	IN05	Premium Refunds
3	AC06	Security Deposit	3	IN06	Unidentified Remittances
3	AC07	Unidentified Deposit	3	IN07	Other Amounts Due Under Policy Terms
3	AC08	Suspense Accounts	3	IN08	Agent Credit Balances
3	AC99	Aggregate Account Balances (Under $50)	3	IN99	Aggregate Insurance Property (Under $50)
Uncashed Checks			Securities		
Yrs	Code	Description	Yrs	Code	Description
3	CK01	Cashier's Checks	3	SC01	Dividends
3	CK02	Certified Checks	3	SC02	Interest (Bond Coupons)
3	CK03	Registered Checks	3	SC03	Principal Payments
3	CK04	Treasurer's Checks	3	SC04	Equity Payments
3	CK05	Drafts	3	SC05	Profits
3	CK06	Warrants	3	SC06	Funds Paid to Purchase Shares
7	CK07	Money Orders	3	SC07	Funds for Stocks & Bonds
15	CK08	Traveler's Checks	7	SC08	Shares of Stock (Returned by Post Office)
3	CK09	Foreign Exchange Checks	3	SC09	Cash for Fraction Shares
3	CK10	Expense Checks	7	SC10	Unexchanged Stock of Successor Corp
3	CK11	Pension Checks	7	SC11	Other Cert of Ownership
3	CK12	Credit Checks or Memos	7	SC12	Underlying Shares or other Outstanding Certificates
3	CK13	Vendor Checks	3	SC13	Funds for Liquidation / Redemption of Un-surrendered Stck/Bnd
3	CK14	Checks Written off to Income	3	SC14	Debentures
3	CK15	Other Outstanding Official Checks	7	SC15	U S Govt Securities
3	CK16	CD Interest Checks	7	SC16	Mutual Fund Shares
3	CK99	Aggregate Uncashed Checks (Under $50)	7	SC17	Warrant (Rights)
			3	SC18	Mature Bond Principal
Mineral Proceeds & Mineral Interest			7	SC19	Converted Dividend Reinvestment Plan Shares
Yrs	Code	Description	3	SC20	Credit Balances
3	MI01	Net Revenue Interest	3	SC21	Bearer Bond Interest
3	MI02	Royalties	3	SC22	Bearer Bond Principal
3	MI03	Overriding Royalties	3	SC99	Aggregate Security Related Cash (Under $50)
3	MI04	Production Payments			
3	MI05	Working Interest	Trust Investment & Escrow Accounts		
3	MI06	Bonuses	Yrs	Code	Description
3	MI07	Delay Rentals	3	TR01	Paying Agent Account
3	MI08	Shut-in Royalties	3	TR02	Undelivered or Uncashed Dividends
3	MI09	Minimum Royalties	3	TR03	Funds held in Fiduciary Capacity
3	MI99	Aggregate Mineral Proceeds (Under $50)	3	TR04	Escrow Accounts
			3	TR05	Trust Vouchers
			3	TR99	Aggregate Trust Property (Under $50)

Property Type Codes & Abandonment Periods (Continued)

Misc. Checks & Intangible Personal Property			Utilities		
Yrs	Code	Description	Yrs	Code	Description
1	MS01	Wages, Payroll, Salary	1	UT01	Utility Deposits
1	MS02	Commissions	3	UT02	Membership Fees
3	MS03	Workers Compensation Benefits	1	UT03	Refunds or Rebates
3	MS04	Payments For Goods & Services	3	UT04	Capital Credit Distributions
3	MS05	Customer Overpayments	3	UT99	Aggregate Utilities (Under $50)
3	MS06	Unidentified Remittances	Other		
3	MS07	Unrefunded Overcharges	Yrs	Code	Description
3	MS08	Accounts Payable	3	CS01	Educational Savings Accounts - Cash
3	MS09	Credit Balance -- Accounts Receivable	3	CS02	Educational Savings Accounts - Mutual Funds
3	MS10	Discounts Due	3	CS03	Educational Savings Accounts - Securities
3	MS11	Refunds Due	3	HS01	Health Savings Account
3	MS12	Unredeemed Gift Certificates	3	HS02	Health Savings Account Investment
3	MS13	Unclaimed Loan Collateral	3	IR01	Traditional IRA - Cash
3	MS14	Pension & Profit Sharing	3	IR02	Traditional IRA - Mutual Funds
1	MS15	Dissolution or Liquidation	3	IR03	Traditional IRA - Securities
3	MS16	Miscellaneous Outstanding Checks	3	IR05	Roth IRA - Cash
3	MS17	Miscellaneous Intangible Property	3	IR06	Roth IRA - Mutual Funds
3	MS18	Suspense Liabilities	3	IR07	Roth IRA - Securities
3	MS99	Aggregate Misc Property (Under $50)	3	ZZZZ	Properties Not Identified Above
Court Deposits			3	MS99	Aggregate Other (Under $50)
Yrs	Code	Description			
1	CT01	Escrow Funds	Safe Deposit Boxes & Safekeeping		
1	CT02	Condemnation Awards	Yrs	Code	Description
1	CT03	Missing Heir's Funds	5	SD01	SD Box Contents
1	CT04	Suspense Accounts	5	SD02	Other Safekeeping
1	CT05	Other Court Deposits	5	SD03	Other Tangible Property
1	CT99	Aggregate Court Deposit			

Identifying Reportable Property

- Presumptions of Abandonment A.C.A. § 18-28-202
  - Payroll and Wages
    - Wages or other compensation for personal services, one (1) year after the compensation becomes payable.
    - Code MS01
  - Customer Credits and Refunds
    - Money or credits owed to a customer as a result of a retail business transaction, three (3) years after the obligation accrued
    - Code MS11

Identifying Reportable Property (cont'd)

- Utility Deposits
  - Deposit or refund owed to a subscriber by a utility, one (1) year after the deposit or refund becomes payable
  - Code UT01
- Accounts Payable
  - All other property, three (3) years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs.
  - Code MS08

Identifying Reportable Property (cont'd)

- Securities
  - Stock or other equity interest in a business association or financial organization, including a security entitlement under the Uniform Commercial Code — Investment Securities, § 4-8-101 et seq., seven (7) years after the earlier of:
    - (A) The date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner;
    - (B) The date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications, or communications to the apparent owner; or
    - (C) The date that the security holder or payee is presumed lost or unresponsive under 17 C.F.R. § 240.17Ad-17, as it existed on January 23, 2013;
  - Codes SC01 – SC99

Identifying Reportable Property (cont'd)

- Safe Deposit Box Contents(A.C.A. § 18-28-203)
  - Tangible property held in a safe deposit box or other safekeeping depository in this state in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by other law, are presumed abandoned if the property remains unclaimed by the owner for more than five (5) years after expiration of the lease or rental period on the box or other depository.
  - Codes SD01 – SD03

Determining Dormancy

- Property is unclaimed if, for the applicable dormancy period, the apparent owner has not:
  - 1) communicated in writing or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and
  - 2) has not otherwise indicated an interest in the property.
- A communication with an owner by a person other than the holder or its representative who has not in writing identified the property to the owner is not an indication of interest in the property by the owner.

Determining Dormancy (cont’d)

- An indication of an owner's interest in property includes:
  - The presentment of a check or other instrument of payment of a dividend or other distribution made with respect to an account or underlying stock or other interest in a business association or financial organization or, in the case of a distribution made by electronic or similar means, evidence that the distribution has been received;
  - Owner-directed activity in the account in which the property is held, including a direction by the owner to increase, decrease, or change the amount or type of property held in the account;
  - The making of a deposit to or withdrawal from a bank account;
  - Correspondence from the financial organization to the owner of the property by mail, which correspondence has not been returned unclaimed or undelivered to the financial organization by the postal service; and

Determining Dormancy (cont'd)

- An indication of an owner's interest in property includes:
  - The payment of a premium with respect to a property interest in an insurance policy; but the application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent a policy from maturing or terminating if the insured has died or the insured or the beneficiary of the policy has otherwise become entitled to the proceeds before the depletion of the cash surrender value of a policy by the application of those provisions.
- Consider dormancy trigger

Performing Due Diligence

- Required by all reporting jurisdictions as a last attempt to reunite the property prior to escheatment
- In Arkansas, A.C.A. §18-28-207(e) provides that it should be:
  - Written
  - To "Owner"
  - Occur not more than 180-days and not less than 90-days prior to report
  - State holder is in possession of property subject to UP law
- Must be performed unless your records indicate the address is inaccurate, owner is barred from claiming, or amount is below $50

Due Diligence—some nuances

- For a security or tangible property (e.g., safe deposit boxes), the notice must be via letter
- Arkansas Administrative Rules:
  - Require reasonable and necessary steps and for the outreach to be performed in good faith to locate the rightful owner
  - Allow for it to be performed via email or electronic means (<u>more on this next</u>)
  - Include and maintain (for 10 years after reporting) documentary proof of the steps taken / efforts made

Due Diligence—some nuances (cont'd)

- Admin Rules technically also requires you to:
  - Review records to determine whether the owner has another active account or accounts
  - Mail a letter, first-class with postage prepaid and with return address requested
  - Use written correspondence in the format and medium most commonly used between the holder and owner
- May contact via phone but requires documentation

Due Diligence—some nuances (cont'd)

- Admin Rules require if the owner <u>is</u> located you shall notify them of the nature of the property, process for collecting, and that failure to claim results in reporting to Auditor of State
- Admin Rules require if the owner is <u>not</u> located you shall:
  - Verify it's not a current employee
  - Review telephone directories or other reasonably available databases to verify owner's address and telephone number
  - Verify no positive owner contact related to (or indication of interest in) the property/account or positive owner contact with another property/ account

Due Diligence—tips

- Most states (including Arkansas) provide sample letters
- Some states have other requirements (including font size!?)
- Keep it short and simple and make sure it appears legitimate–high res, color, logo, entity they will recognize
- Avoid confusing phrases and words (e.g., “escheat”); note “this is not a bill” or similar
- Provide a definitive deadline and what occurs afterward
- Request phone, email, and address change (for refunds)
- Use unique ID at bottom of letter

Due Diligence—tips (cont'd)

- Note possible tax consequences and liquidation of non-cash property
- Ask for documentation (if needed)
- Include Q&A sheet/link (e.g., UP 101, minors, deceased, new address)
- Provide option to decline ownership?
- Consider modernizing via electronic outreach, electronic response portal, etc.
- Considering improving results through courtesy mailings or search & location

Case Studies: Reporting Scenarios

- Reporting Unknown & Foreign properties
  - Secondary Priority Rule (Texas v. New Jersey). Reportable to state of company domicile
  - Unknown:
    - UNKNOWN should be populated in Property Owner Last Name Field (Blank 1st name)
    - If the address is unknown, leave the Property Owner Address Field blank (do not fill Unknown)
    - If Property Owner City, State, and Zip code are Unknown, leave those fields blank

Case Studies: Reporting Scenarios (Cont'd)

- Reporting Unknown & Foreign properties
  - Foreign:
    - Property Owner Address should list the foreign street address
    - Property Owner City should list the foreign city or province
    - Property Owner State field should be blank
    - Property Owner Country Code is a 3 digit ISO code https://www.iban.com/country-codes

Reporting Scenarios (cont'd)

- Virtual Currency
  - Virtual Currency is any type of digital unit, including cryptocurrency, used as a medium of exchange, unit of account, or a form of digitally stored value, which does not have legal tender status recognized by the United States.
  - Does not include the software or protocols governing the transfer of the digital representation of value, game-related digital content, or a loyalty card or gift card.
  - Currently not accepted in its native form. Proceeds acceptable if exchanged to U.S. dollar or after liquidation.

Reporting Scenarios (cont'd)

- A holder of safe deposit boxes or similar safekeeping depositories who elects to sell contents
  - (A) Must do so at public auction;
  - (B) May deduct the rental owed, the cost of opening the box, and damages in connection with the abandoned box from the proceeds of such sale; and
  - (C) After said auction, must remit any unauctioned contents of boxes and any excess proceeds from the sale to the Auditor of the State.

Reporting Scenarios (cont'd)

- Safe deposit box contents (cont'd)
  - Holders are not to remit the following items:
    - (A) Human remains such as teeth, hair, or cremains;
    - (B) Medical devices or implants such as dentures, or IUD, etc.
    - (C) Prescription drugs, illicit drugs, or drug paraphernalia;
    - (D) Firearms, explosives, or ammunition.

Reporting Scenarios (cont'd)

- Safe deposit box contents (cont'd)
  - Holders are not to remit the following items:
    - (A) Human remains such as teeth, hair, or cremains;
    - (B) Medical devices or implants such as dentures, or IUD, etc.
    - (C) Prescription drugs, illicit drugs, or drug paraphernalia;
    - (D) Firearms, explosives, or ammunition.

Reporting Scenarios (cont'd)

- Reporting Securities
  - Thirty (30) days prior to the report and remittance of securities, holders shall, in writing, request approval to report and deliver unclaimed securities to the Auditor of State
  - The request must contain the issue name, CUSIP, ticker symbol, number of shares, and the delivering party's DTC participant number or delivering party's information or both
  - Private stock shares must be sold and reported as cash
  - Securities valued at less than $0.01/share should not be reported or remitted

Reporting Scenarios (cont'd)

- Reporting Securities (cont'd)
  - Future income payable
    - Holders shall forward any future income from remitted securities in the form of cash (for example, dividends, capital gains, etc.) payable to the Auditor of State along with a supplemental report of unclaimed property
    - Supplemental filings should be completed within sixty (60) days following the unclaimed property reporting deadline
    - Any account maintained in the state's name must maintain a zero (0) balance upon completion of the filing period

Common Questions From Holders

- Minimum Reporting Threshold
  - Aggregate for properties less than $50 each
  - A.C.A. § 18-28-207
- Negative Reporting
- Relationship codes
  - Unclaimed property relationship codes are vital identifiers used in state reporting to define how multiple parties or secondary entities (such as joint owners, beneficiaries, or custodians) are tied to an asset. They dictate how state agencies legally disburse funds to rightful claimants and prevent payout errors.

Common Questions From Holders (cont'd)

Relationship Codes		
AD	Administrator	The person appointed by the court to handle the estate of someone who died without a will, with a will with no nominated executor, or the executor named in the will has died, has been removed from the case, or does not desire to serve.
AG	Agent For	A person who is authorized to act for another (the agent's principal) through employment, by contract or apparent authority.
AF	Attorney For	A person who has been qualified by a state or Federal court to provide legal services, including appearing in court, and is authorized to act for another.
AN	And (Unspecified Joint Relationship)	Unspecified joint relationship including 'AND'.
BF	Beneficiary	Any person or entity (like a charity) who is to receive assets or profits from an estate, a trust, an insurance policy or any instrument in which there is distribution.
CP	Community Property	Property or earnings received by a husband and wife during marriage, other than by gift, devise, or descent. Separate property is property owned by a spouse before marriage or received during the marriage by gift, devise or descent. In some jurisdictions, earnings from separate property are also separate property and in some jurisdictions, such earnings are community property. Recognized by California, Arizona, New Mexico, Texas, Nevada, Idaho, Washington, Wisconsin, Louisiana and Puerto Rico.
CN	Conservator	A guardian and protector appointed by a judge to protect and manage the financial affairs and/or the person's daily life due to physical or mental limitations or old age.
CF	Custodian	A person with whom some article is left, usually pursuant to a contract (called a "contract of bailment"), who is responsible for the safe return of the article to the owner when the contract is fulfilled.
DF	Defendant	The party sued in a civil lawsuit or the party charged with a crime in a criminal prosecution.
ES	Estate	All the possessions of one who has died and are subject to probate (administration supervised by the court) and distribution to heirs and beneficiaries, all the possessions which a guardian manages for a ward (young person requiring protection and administration of affairs), or assets a conservator manages for a conservatee (a person whose physical or mental lack of competence requires administration of his/her affairs).
EX	Executor or Executrix	The person appointed to administer the estate of a person who has died leaving a will which nominates that person.
FB	For Benefit of	A person who is entitled to property that is held by another person (typically a custodian or trustee). FB is typically used in trustee, self-directed, inherited, education and transferred accounts.
GR	Guardian	A person who has been appointed by a judge to take care of a minor child (called a "ward") or incompetent adult personally and/or manage that person's affairs.

Relationship Codes		
HE	Heir	Anyone who receives property of a deceased person either by will or under the laws of descent and distribution. (Explanation: a devisee under a will is also an "heir", even though unrelated to the decedent.)
IN	Insured	The person or entity who will be compensated for loss by an insurer under the terms of a contract called an insurance policy.
JT	Joint Tenants	An account held in joint tenancy presumes a right of survivorship, but this presumption can be overcome by evidence that the account was really the property of only one, and the joint tenancy was for convenience. Right of Survivorship is not specifically stated.
JS	Joint Tenants with Rights of Survivorship	A type of account which is owned by at least two people, where all tenants have an equal right to the account's assets and are afforded survivorship rights in the event of the death of another account holder. In this type of account, a surviving member will inherit the total value of the other member's share of account assets upon the death of that other member. All members of the account are afforded the power to conduct investment transactions within the account as well.
TC	Tenants in Common	A type of account which is owned by at least two people with no rights of survivorship afforded to any of the account holders. In this type of account, a surviving tenant of the account does not necessarily acquire the rights (and account assets) of the deceased person. Rather, each tenant in the account can stipulate in a written will how his/her assets will be distributed upon his/her death. Generally, the member ownership in the account is determined on a pro rata basis, meaning that if there are two tenants in the account, each will have a 50% claim on the account's value.
JE	Tenants in Entireties	Joint ownership of property or securities by a husband and wife where, upon the death of one, the property goes to the survivor.
OR	(Or) Unspecified Joint Relationship	Unspecified joint relationship including 'OR'
OT	Other Relationship	Relationship other than specified in this list. Additional details should be submitted with the property.
PD	Payable On Death	Account is payable on Death to an alternate owner. Upon the original owner's death, the beneficiary must supply identification and a copy of the original owner's death certificate.
PA	Payee	The one named on a check or promissory note to receive payment.
PO	Power of Attorney	A written document signed by a person giving another person the power to act for the signer in designated circumstances and with respect to designated property. Explanation: There are both general powers of attorney which give the authorized party broad discretion and special powers of attorney that are limited in scope.
RE	Remitter	Used primarily on official checks. The Remitter is the person who purchased the official check. This relationship is separate from the Holder who turns the property over to the state.
SO	Sole Owner	Sole Owner is used when there is only a single owner for the property, and that person has all rights to the ownership of the property.
TE	Trustee	A person or entity who holds the assets (corpus) of a trustee for the benefit of the beneficiaries and manages the trust and its assets under the terms of the trust stated in the Declaration of Trust which created it.
UG	Uniform Gifts to Minor	Property that is gifted to a Minor under the Uniform Gifts to Minors Act – (UGMA). This act allows minors to own property such as securities. Under the UGMA, the ownership of the funds works like it does with any other trust except that the donor must appoint a custodian (the trustee) to look after the account. Regardless of whether the minor has reached the age of majority, they should be coded with the UG relation. The custodian on the account should be coded as CU.
UT	Uniform Transfer to Minor	Property that is gifted to a minor under the Uniform Transfer to Minors Act – (UTMA). This act allows a minor to receive gifts such as money, patents, royalties, real estate and fine art, without the aid of a guardian or trustee. The gift giver or an appointed custodian manages the minor's account until the minor is of age (usually 18 or 21).
UN	Unknown	The owner's relationship to the property is not known.
UF	Usufruct	Usufruct is a real right in a property owned by another, normally for a limited time or until death. Simply stated, it is the right to use the property, to enjoy the fruits and income of the property, to rent the property out and to collect the rents, all to the exclusion of the underlying real or naked owner. The usufructuary has the full right to use the property but cannot dispose of the property nor can it be destroyed.

Questions?