

ARKANSAS AUDITOR OF STATE
DENNIS MILLIGAN



SEPTEMBER 2026

2026 | UNCLAIMED Property Holder Seminar

Session 4

Compliance, Audits, & Best Practices



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Agenda

- Common Errors in Annual Reporting
- Compliance Best Practices
- Voluntary Compliance Options
- Common Myths About Audits and Auditors
- Involuntary Examinations Overview



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Common Errors in Annual Reporting



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Incorrect Property Codes

- Problematic property type codes:
 - CK01 v. CK05/15
 - MS12 – what about for Stored-value cards that aren't gift cards?
 - When in doubt, reach out
- Common Error: Invalid property type codes



Incorrect Ownership Codes

- NAUPA Ownership Codes:

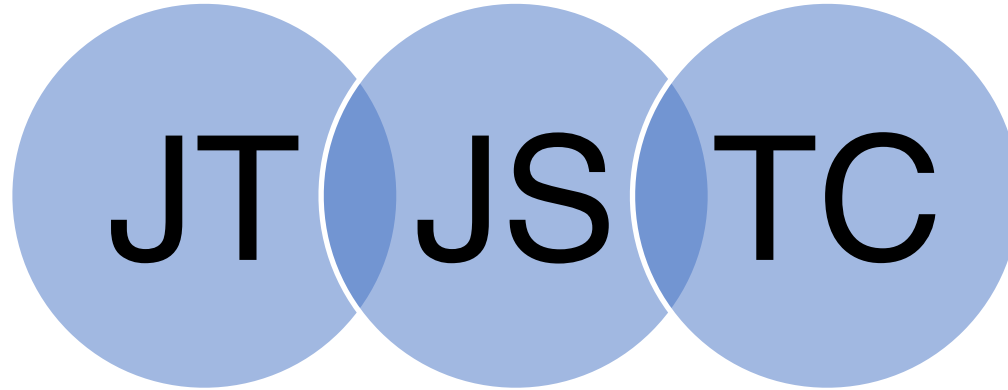
AP	Aggregate Property	This property represents a group of properties that have been aggregated together, usually because of small values.
OT	All Owners Except Aggregate or Unknown	This property represents individual property records that are not reported as aggregate or unknown and is used when an owner's name is known and included in the report.
UN	Unknown Owner (no name available)	This property represents individual property records in which the original owner's name is unknown.

- Common Error: Property was reported with ownership code “UN” but contains a name.
- Common Error: The Owner Type Code in the Owner record file is invalid.



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Incorrect Relationship Codes



- 31 Relationship Type Codes
- Common Error: The Relationship Type is sole owner (“SO”) but the property has multiple owners



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Missing or Inaccurate Owner Information

Property
owner
records are
missing
address

Record
contains
'Address 1'
but does not
contain City,
State, and
ZIP

State and
ZIP code do
not match



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Missing Owner Information

- Report the most recent information in your books and records
- Some of it may be incomplete, wrong, or just plain missing
- Accessing signature cards when possible



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Reporting to the Wrong Jurisdiction

- Arkansas = AR, Arizona = AZ, Alaska = AK
- Border towns like Texarkana have some zip codes in AR and some in TX
- Data and address
- Priority rules



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Compliance Best Practices



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Record Retention

- Best practice: 15 years
- The date, nature, and circumstances around the last activity or contact
- If it isn't documented, it didn't happen



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Internal Controls

- Start from solid policies and procedures
- Identify where you have control points
- Define when those three things are reviewed and updated



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Department Coordination

- Breaking down siloes
- Contact in each area that generates reportable property
- Have a solid Legal contact
- Can you explain your process to Compliance?



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Available Resources

- Arkansas Auditor of State website <https://auditor.ar.gov/>
- Arkansas Unclaimed Property Reporting Booklet https://auditor.ar.gov/wp-content/uploads/UCP_Reporting_Booklet_Revised_JULY_2026.pdf
- National Association of Unclaimed Property Administrators (NAUPA) - <https://unclaimed.org/>
- Unclaimed Property Professionals Organization (UPPO) <https://www.uppo.org/>



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Voluntary Compliance Options



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Option	Summary	Enrollment Dates	Agreement Involved	Repeatability of Program	Penalties and Interest
Voluntary Review Program	Available for a limited number of Holders each calendar year	Begins December 1 Ends December 31	No agreement document, program involves Holder	Not repeatable, one-time program	No
Voluntary Compliance Program	Voluntary self-review of records conducted by the Holder	Open enrollment	Voluntary Compliance Agreement	Repeatable program (i.e., if Holder acquires new subsidiary in need of compliance review)	No
Voluntary Disclosure Program	Voluntary audit of Holder's records by a 3rd Party with limited lookback time frame	Summer: Begins July 1 Ends July 31 Winter: Begins December 1 Ends December 31	Voluntary Disclosure Agreement	Repeatable program, but penalties and/or interest and examination fees may be applied (i.e., if the same categories are reviewed)	Not for 1st Audit

<https://auditor.ar.gov/report-property/>

[Microsoft Word - UCP Voluntary Compliance Agreement.docx](#)



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Involuntary Examinations



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Dispelling Common Myths

- “We report every year, therefore we will never be audited”
- “If selected, we may choose not to be audited”
- “If we wait long enough the auditors will just go away”
- “The audit covers just the most recent report submitted”
- “We are responsible for fees paid to the auditors”
- “Auditors are the *boogeymen*”
- “Third party audit firms make all the decisions”

[See also, NAUPA Unclaimed Property Myths Reporting and Claims](#)



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Exam Overview

Identification / Notification of Exam

Exam Selection

Notice of Exam

NDA

Initial Doc Request

Opening Conference

Scoping

Entities

Property Types

Time Periods

Quantification

Historical Source
Records

Prepare Research
Populations

Test and Refine



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Exam Overview

Research & Due Diligence

Internal Research

External DD

DD Adjustments

Present Findings

Reporting

Prepare & Submit
Report

Remit Payment

Recap

Identify Scope

Quantify Liability

Reunite Owners

Report and Remit

Achieve Compliance



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Questions?



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