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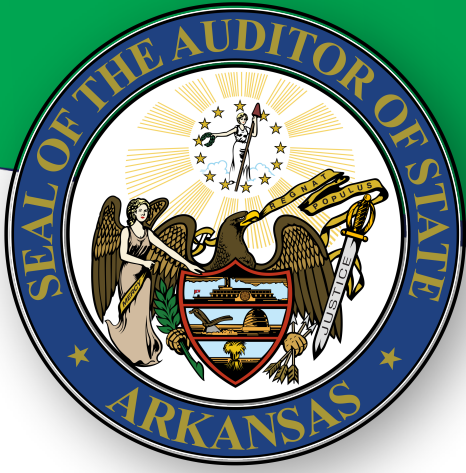
Josh Wood, Assistant Chief of Staff



2025 | **UNCLAIMED** **Property** **Holder Seminar**

SEPTEMBER 2025

Audit Process



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Audit Process



- Examination Types
- Notification
- Opening Conference
- Requests
- Data Analysis
- Unclaimed Property Identification
- Due Diligence and Remediation
- Final Reports



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Examination Types



- Desk Audit

- Holder self review
- Expedited timeline
- State oversight and review

- Third Party Audit

- Third party auditors complete audit
- Data information requests
- Review of audit documentation

- State Full Audit

- State auditors complete audit
- Data information requests
- Review of audit documentation



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Notification



- Initiation Letter

- Entities included in the examination
- Description of included types of unclaimed property
- Description of time period covered by the examination
- Identification of contacts
 - State
 - Third party auditor

- Opening Conference



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Opening Conference



- Audit Scope
 - Participating states (for multistate examinations)
 - Property types
 - Company subsidiaries
 - Look-back period



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Opening Conference (cont)



- Examination Contacts

- Audit manager
- Legal contact
- State contact



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Opening Conference (cont)



- Description of Auditing Procedures
 - Expected data requirements
 - On-site vs. off-site
- Nondisclosure Agreement (For Third Party Audits)



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Opening Conference (cont)



- Document and Information Requests
 - Issue and review
 - Proposed response dates
- Security
 - Encryption of PII
 - Secure FTP
 - Company website



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Opening Conference (cont)



- Reporting of Property During Examination
 - Past due requirements
 - Pre-reporting requirements



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Opening Conference (cont)



- Conclusion of Examination
 - Draft report provided listing all identified unreported property
 - Holder review and reconciliation
 - Delivery instructions
- Follow-Up Letter
 - Memorializing opening conference
 - Includes applicable state attachments



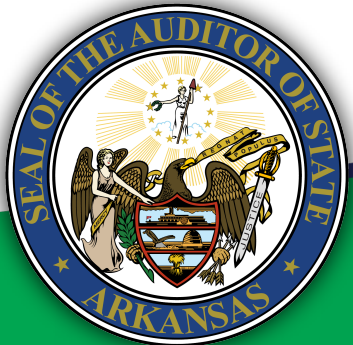
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Requests



- Policies and Procedures
- Administrative Data
- Prompt Production of Necessary Information
 - Allows the audit to proceed efficiently
- Examples of Initial Requests
 - Unclaimed property policies and procedures
 - Other relevant policies and procedures (uncashed checks)
 - Prior reported unclaimed property
 - From administrative system (HRS Pro)
 - Text or Excel
 - Administrative systems breakdown



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Data Analysis



- Process to Identify Unreported Unclaimed Property
 - Data requests
 - Owner information
 - Property information
 - Industry-specific data
 - Records maintained by the holder are available.



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Data Analysis (cont)



- Data Intake
 - Completeness, accuracy, and integrity of received data sets
- Data Normalization
 - Common formatting
 - Identify unique account identifiers



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Data Analysis (cont)



- Thorough Review
 - For accuracy and completeness
 - Data updates when necessary
- Escheatability Processing
 - State-specific dormancy periods for property types
- Reporting
 - Provided to the holder for review and reconciliation



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Due Diligence and Remediation



- Holder Review of Report
 - Supplemental data and information
 - Auditor re-review of the triggering event
- Due Diligence of Unclaimed Property
 - Statutory requirements and timing
 - Reunite the property with the owner or report to the state



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Due Diligence and Remediation (cont)



- Escheat Process

- Auditor informs holder
- In conformance with normal state requirements and NAUPA formatting
- Continuing statutory obligations after audit conclusion



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Final Reports



- Provided to Holder at Audit Close

- Includes a summary of the audit processes performed
- Outlines the findings of the examination
- Details methodologies used to determine the amount of unclaimed property
- Documents any disputed issues or record deficiencies



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Takeaways



- ☒ **Learn the Rules**
- ☒ **Establish Policies & Procedures to Implement the Rules**
- ☒ **Check for Updates to the Rules**



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Questions?



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