PURPOSE
To provide procedures on reporting and disposing of unclaimed property.

BACKGROUND
University Fiscal Policy FI0140 – Unclaimed Property provides guidance for holding and disposing of unclaimed property in compliance with applicable laws and regulations.

UNCLAIMED PROPERTY
Tennessee’s Unclaimed Property Law applies to unclaimed property items (1) that the university owes to or is holding for other organizations or individuals and (2) for which the university has had no contact with the owner for a minimum of one year up to the maximum statutory period of five years. Unclaimed property includes, but is not limited to: uncashed refund checks, uncashed miscellaneous checks, unidentified remittances, and credit balances in accounts receivable. Non-cash items are considered “lost and found” items. These items are not considered to be unclaimed property and should not be reported to the state.

DUE DILIGENCE
The University is required to exercise due diligence before filing unclaimed property reports in attempting to notify the owner of amounts of $50 or greater with information on how to claim the property. Sending first-class/registered mail to the last known address of the property owner constitutes due diligence. Mail returned “undeliverable” is evidence that the owner cannot be located. If the owner does not claim the property or provide the university with directions for disposing of the property within 90 days from delivery/non-delivery of the notification letter, the university may assume ownership of the property. The Controller’s Office will account for these funds in unclaimed property funds that remain available should the funds be claimed by owners.

ACCOUNTS RECEIVABLE CREDIT BALANCES $50 AND UNDER
The department must maintain detailed information associated with these balances. Credit balances under $50 and inactive for one year may be reported through the Accounts Receivable Write-off Request (Form T-35).

ACCOUNTS RECEIVABLE CREDIT BALANCES OVER $50
Whenever departments have one or more credit balances over $50.00, they must list all such accounts on an Excel worksheet. Include on the worksheet the names, addresses, and social security numbers of dormant account owners, along with the amounts. These accounts must have been inactive for five years. In addition, the department must satisfy the due diligence requirements laid out above. The department should provide the completed worksheet to the Finance Office (300 Hyman Building) by February 1 of each year.