

System-wide Policy:	
Procedure for FI0140 - Unclaimed Property	
Version: 1	Effective Date: 01/22/2025

Objective

To provide the University's employees with procedures related to the University's compliance with the state's unclaimed property laws and regulations.

Scope

This procedure applies to all University employees.

Roles

N/A

Definitions

N/A

Procedure

I. Process for Apparent Owners

- A. The State of Tennessee has enacted the Uniform Unclaimed Property Act (T.C.A. § 66-29-101, et. seq.), and the University has issued rules and regulations stating how an apparent owner may submit proof of ownership ([Rule 1700-02-01-06](#)).
- B. If the University holds the unclaimed property, the apparent owner will file a claim with the University's Controller's office and the claim must substantially meet the requirements of [1700-02-01-06](#).
- C. The University must verify an alleged owner's identity before giving the alleged owner their property. The University of Tennessee's [Rule 1720-01-14-07](#).
- D. The University remits unclaimed property to the state of Tennessee Department of Treasury. If the University transfers the unclaimed property to the state, any apparent owner must file their claim with the state pursuant to University of Tennessee Rule [1700-02-01-06](#).

II. Annual Report of Unclaimed Property

- A. The Uniform Unclaimed Property Act requires the annual filing of the Unclaimed Property Report for all unclaimed property.
- B. The UT System Administration Controller's Office is responsible for compiling and submitting annual reports that comply with applicable laws and regulations.
- C. The Controller's Office must submit the report by the deadline stated in the applicable laws and regulations.
- D. The Controller's Office must compile the list of all cash items (i.e., uncashed checks, unidentified remittances, credit balances in accounts receivable, stored value cards) for the entire University and report it to the state Treasurer's Office.

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- E. Reports must be filed with the state Treasurer on or before November 1 of each year and must include property presumed abandoned held as of June 30 of the appropriate reporting year.
- F. The University must retain all supporting records relating to the reports for the period stated in the applicable State of Tennessee Division of Records Management “records disposition authorization” (RDA).
- G. The University will comply with applicable state laws and regulations regarding when and how to transfer or otherwise deliver unclaimed property to the State of Tennessee Office of the Treasurer.

III. **Stored Value Cards**

- A. Each [campus](#), institute, or unit business office is responsible for performing due diligence on all stored value cards (VolCard, Mocs Card, Skyhawk Card, etc.) that have been inactive for at least 1 year and a maximum of 5 years and that have a balance of \$50 or greater.
- B. Detailed information associated with these cards must be maintained at the campus or institute level.
- C. Each campus, institute, or unit must compile and transmit a file of names, addresses, and Social Security numbers of dormant account owners, along with amounts to the Controller’s Office by October 1 of each year.
- D. The list will also include balances under \$50 for which due diligence is not required. This effort must be coordinated with the Controller’s Office.

IV. **Accounts Receivable Credit Balances**

- A. Each campus, institute, or unit business office is responsible for performing due diligence on all credit balances in accounts receivable that have been inactive for at least 1 year and a maximum of 5 years and that have a balance of \$50 or greater.
- B. Detailed information associated with these balances must be maintained at the campus, institute, or unit level. Each campus, institute, or unit must compile and transmit a file of names, addresses, and Social Security numbers of dormant account owners, along with amounts to the Controller’s Office by October 1 of each year.
- C. The list will also include credit balances under \$50 for which due diligence is not required. This effort must be coordinated with the Controller’s Office. As an alternative, credit balances under \$50 and inactive for one year may be reported through the Accounts Receivable Write-off Request (Form T-35).

V. **Disposition of “Lost and Found” Items; Confiscated Property**

- A. Generally, the University will treat unclaimed “lost and found” items as surplus property and may dispose of non-cash unclaimed property by
 1. Selling the property at public action or via another method under [FI0610 – Surplus Property](#);
 2. Donating to a local charity (if not sold through a method allowed in [FI0610](#));
 or

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3. Discarding or destroying items that are not valuable.

- B. Before the University may donate physical items to a local charity, the University must first attempt to sell the unclaimed items. The University cannot make financial donations to nonprofit organizations (see [FI0436—Sponsorship of External Non-Profit Organizations](#)).
- C. The following types of property must be handled as stated below:
 - 1. Jewelry and Coins: The University will sell jewelry and coins by following [FI0610—Surplus Property](#).
 - 2. Firearms; Dangerous Items; Illegal Items: The University will consult with applicable law enforcement or University safety officers to determine proper destruction methods and will dispose of or destroy the property consistent with applicable laws.
- D. Confiscated property: If the University confiscates property, the University will treat the property as University surplus property and will dispose of or destroy the property consistent with [FI0610](#).

VI. Due Diligence Procedures

- A. Before reporting unclaimed property as described above, the University is required to exercise due diligence in attempting to notify the apparent owner of amounts \$50 or greater with information on how to claim property.
- B. “Due diligence” is defined under applicable Tennessee law as the degree of care which a reasonably prudent person would exercise in the normal course of business operations and sending a written notice via first-class or registered mail to the last known address of the apparent owner. Such written notice must be sent not more than 180 days, nor less than 60 days, before filing the report with the state of Tennessee Office of the Treasurer.
- C. Property under \$50 requires no due diligence notice letter and is submitted to the state along with other unclaimed amounts from the same calendar year.
- D. The University’s notice to the apparent owner of unclaimed property must contain a heading that reads substantially as follows “Notice: The State of Tennessee requires us to notify you that your property may be transferred to the custody of the treasurer if you do not contact us within 30 days after the date of this notice.”
- E. Mail returned as “undeliverable” is evidence that the apparent owner cannot be located. If the apparent owner cannot be located, the property will be considered abandoned and be reported to the state as unclaimed property.

VII. Timetable for Unclaimed Property

June 30

End of fiscal year, which is the “reporting year” period for unclaimed property.

July 1 – August 31

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Controller’s Office, and campus or institute business offices (stored value cards and credit balances in accounts receivable), perform required due diligence on appropriate items considered abandoned. Campuses and institutes must transfer outstanding credit balances to state custody no later than August 31.

October 1

Deadline for campus or institute business offices to transmit Excel file of abandoned property to the Controller’s Office (stored value card and credit balances in accounts receivable.)

November 1

Reports, verification forms and unclaimed property (cash) are due to be filed with the State of Tennessee Office of the Treasurer.

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this procedure could result in adverse human resource actions and could result in the state of Tennessee imposing fines or other penalties (on the University or on employees individually).

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Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Controller's Office (Karen McKee)	1-865-974-4024	kphillip@tennessee.edu

Related Policies/Guidance Documents

FI0436—Sponsorship of External Non-Profit Organizations

FI0610—Surplus Property