

## **Section 22 – Unclaimed Property**

### **Overview**

Local governments are required to comply with the unclaimed property provisions contained in ch. [717](#), F.S., (Florida Disposition of Unclaimed Property Act). It is critical that local governments be aware of the specific requirements applicable to them because monetary penalties can be imposed for noncompliance.

### **Requirements**

Section [717.113](#), F.S., provides that all intangible property held for the owner by any court, government or governmental subdivision or agency, public corporation, or public authority that has not been claimed by the owner for more than one year after it became payable or distributable is presumed unclaimed. Section [717.101\(14\)](#), F.S., defines intangible property to include items such as moneys, checks, drafts, deposits, interest, dividends, credit balances, customer overpayments, security deposits, unpaid wages, unused airline tickets, and unidentified remittances (list not to be considered all inclusive). Section [717.115](#), F.S., provides that unclaimed wages, including wages represented by unpresented (i.e., uncashed) payroll checks, that have not been claimed for more than a year after becoming payable, are presumed unclaimed. Section [717.117\(1\)\(f\)](#), F.S., provides that any person or business association or public corporation holding funds presumed unclaimed and having a total value of \$10 or less may file a zero balance report for that reporting period and the balance brought forward to the new reporting period is zero. Also, s. [717.117\(1\)\(h\)](#), F.S., states that credit balances, customer overpayments, security deposits, and refunds having a value of less than \$10 shall not be presumed unclaimed.

Sections [717.117](#) and [717.119](#), F.S., require that funds or other property presumed unclaimed and subject to the Florida Disposition of Unclaimed Property Act be reported and simultaneously delivered to the DFS, the agency charged with the responsibility for administering the provisions of ch. [717](#), F.S. Forms for such reports are available on the DFS's web site. The report is to be filed before May 1 of each year and shall apply to the preceding calendar year. The Department may impose and collect a penalty of \$10 per day up to a maximum of \$500 for the failure of a local government to timely report information required by ch. [717](#), F.S. (see s. [717.117](#), F.S., for the specific reporting requirements).

Section [717.117\(4\)](#), F.S., requires holders of unclaimed property, including local governments, to perform "due diligence" for accounts of \$50 and greater. Local governments must attempt to notify the apparent owners of the property being held that may belong to them. Failure to perform due diligence can also result in the local government being fined or penalized by the state.

## **Recordkeeping**

1. Governments should maintain sufficient information in bank reconciliations for outstanding checks to allow identification of unclaimed property as of December 31. Such information would include issue date, check number, and amount. Information about payees (full name, address, identifying number) should also be maintained to comply with the state requirements regarding due diligence and reporting.
2. If the entity plans to contact vendors, employees/former employees, or other payees of outstanding checks of less than a \$50 value to determine whether the old check should be voided and a new check issued, this process should be completed prior to one year after the date the check was issued. Once the check has been outstanding for more than one year, the entity no longer has the option to reissue the check and must report the check and remit the amount in its unclaimed property report as of December 31. Entities holding accounts or checks with an individual value of \$50 or more must use due diligence in attempting to locate the owners prior to filing the report.

## **Bureau of Unclaimed Property**

Within the DFS Division of Unclaimed Property has responsibility for the administration of ch. [717](#), F.S. The Division has a web site [www.fltreasurehunt.org](http://www.fltreasurehunt.org) that contains important information including required forms, key contacts within the Division, and other relevant information to assist in complying with ch. [717](#), F.S. DFS issues an “Unclaimed Property Reporting Instructions” manual (<http://www.myfloridacfo.com/appresources/UPMIS/HolderReporting/Reporting-Instructions-Manual.pdf>), which can be used as authoritative guidance in complying with the state’s requirements regarding unclaimed property.

## **Abandoned or Lost Tangible Personal Property**

Section [705.103](#), F.S., prescribes the procedures required for abandoned or lost tangible personal property present on public property, such as impounded or abandoned vehicles. After performing a series of required procedures, the state or local government can retain the property, trade it to another state or local government, donate it to a charitable organization, sell it, or notify the appropriate refuse removal service.

## **Helpful Suggestion**

It is also prudent practice for governments to periodically check the Bureau of Unclaimed Property’s web site (<http://www.fltreasurehunt.org/index.jsp>) for unclaimed property that the State may be holding for the local government itself to claim.

## **References**

Section [705.103](#), F.S.; Procedure for abandoned or lost property

Section [717.101](#), F.S.; Definitions

Section [717.113](#), F.S.; Property held by courts and public agencies

Section [717.115](#), F.S.; Wages

Section [717.117](#), F.S.; Report of unclaimed property

Section [717.119](#), F.S.; Payment of delivery of unclaimed property

Florida Department of Financial Services – <http://www.fltreasurehunt.org/index.jsp>