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IAB Solutions LLC – White Paper

Unclaimed Property

While unclaimed property laws have been around since the 1940's, over the past fifteen years, there has been increased attention given to the subject of unclaimed/abandoned property. It is estimated that approximately \$5 billion worth of property is abandoned each year. This includes unused or unreconciled accounts receivable credits, refunds, unapplied cash, and overpayments. Individual states are increasing the number of audits of businesses to determine if all rules for compliance with the unclaimed property laws are being followed.

While the laws and provisions required for each state vary, companies must comply and are obligated to report unclaimed property in each state they do business. Failure to adhere to the guidelines will result in penalties, fines and interest. Audits can be performed by State Auditors or by third parties which often perform audits for multiple states in aggregate. These audits can cost your company valuable time and money!

What can be done to effectively manage your unclaimed property?

The first step is to familiarize yourself with reporting rules and regulations that govern your type of business or unclaimed property. Implement policies and processes to ensure that all requirements are being met. Conduct self-audits as an effective way to measure compliance. Periodically review outstanding items and research accounting errors.

How can IAB Solutions Assist?

Our skilled analysts will conduct account reconciliations and analysis to identify potential liabilities. IAB will retrieve all documentation from your archives and files necessary to research the open credit balances and potential overpayments.

Once a determination has been made as to a claim's disposition, we will provide a detailed accounting and support documentation to demonstrate who the proper owner is of the asset. If research determines that the items are due to your customers, IAB will initiate the "due diligence" to contact the owner for notification purposes.

IAB will provide both standard and ad hoc reporting that will include trending as a means for a proactive approach to preventing future issues. We work with your Internal Audit department to identify processes that are non-compliant or lead to potential “red flags” for outside auditors to notice.

Please contact us at 800-742-0014 to learn how you can partner with IAB Solutions to resolve your concerns over unclaimed property!