

STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF UNCLAIMED PROPERTY

ESCHEAT HANDBOOK
INSTRUCTIONS FOR PREPARING
DELAWARE UNCLAIMED PROPERTY REPORTS

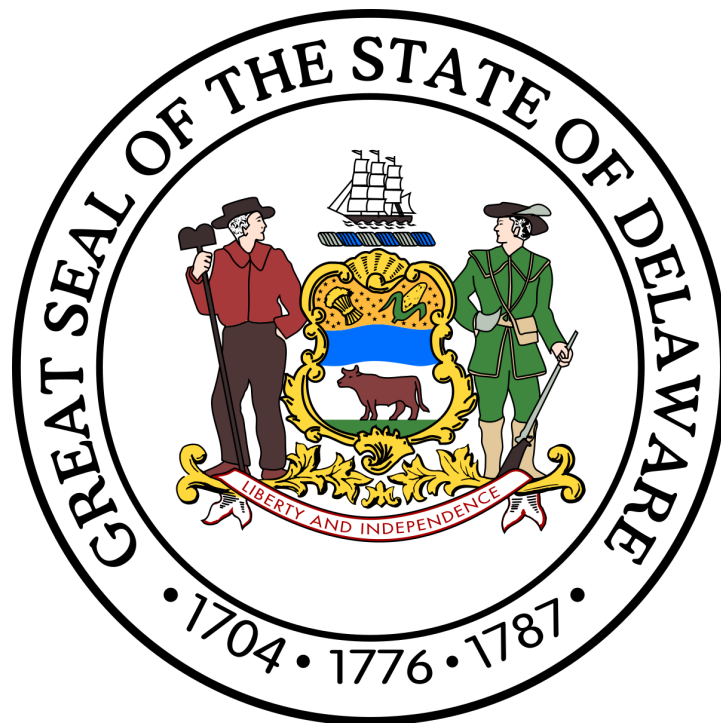


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CONTACT INFORMATION

Standard Mailing Address:

Delaware Department of Finance
Office of Unclaimed Property
Attn: Holder Reporting
PO BOX 8923
Wilmington, DE 19899

Express Mailing Address:

Delaware Department of Finance
Office of Unclaimed Property
Attn: Holder Reporting
8th Floor
820 North French Street
Wilmington, DE 19801

Phone Number:

302 – 577 – 8782

- Select Option 2

Fax Number:

302 – 622 – 4113

E-Mail:

Escheat.holderquestions@state.de.us

Website:

<http://finance.delaware.gov/unclaimedproperty.shtml>

GENERAL INFORMATION

PREPARING ABANDONED AND UNCLAIMED PROPERTY REPORT

Statutory requirements can be found at:

<http://delcode.delaware.gov/title12/c011/index.shtml>

Unclaimed Property Reporting & Examination Manual Information:

<http://regulations.delaware.gov/AdminCode/title12/1000/100/104.shtml#1041398>

When to Report and Remit Payment

Holder Type	Period Ending	Final Report and Payment Due
Banking Organizations	June 30 th	November 10 th
Insurance Companies	December 31 st	December 20 th
All Other Holders & Business Associations	December 31 st	March 1 st

Reporting Requirements

- Beginning March 1, 2018, all Holders are required to submit all reports in a web-based record through the State's online portal:
<https://delaware.findyourunclaimedproperty.com/app/holder-info>.
- No reports will be accepted via any other medium or method and will be immediately rejected by Delaware's Office of Unclaimed Property.
- Holders are required to submit a separate report for each EIN / entity initiating a filing, annual or otherwise.
- Holders are required to separate property by reporting year and reporting type (*e.g.*, Annual Report, VDA, Audit) and submit separate reports for each respective year and type or report.
- *AP-1 (report verification)*: This will be automatically generated based upon the information entered into the State's online portal. This is required and must be provided by all Holders. Paper AP-1 forms are no longer required and will not be accepted.

****Delaware offers ONLY one method of filing Unclaimed Property Reports – electronic via the State's online reporting portal. All other attempts to file a report will be sent back to the holder to create an electronic report.****

Electronic Reporting

Holders are required to electronically file reports, in NAUPA II format, using a web-based record. It is recommended that you update your software annually for any updates prior to beginning your reporting process.

- *Software:* Holders may download software to assist in creating electronic reports from sources such as:
 - The National Association of Unclaimed Property Administrators (NAUPA) has endorsed the “HRS Pro Standard Edition from Conduent” software which can be downloaded from the following website:

www.unclaimed.org/reporting

- Holders may also download software and a User’s Manual from the following website:

www.wagers.net

Holders will be required to remit cash and securities directly to the State as detailed on pages 19 – 22 of this document.

NAUPA II Format Reporting Requirements

- *Errors:* The following errors will cause your report to be rejected and a new NAUPA II file will be required before your report is accepted. Other errors may also cause your file to be rejected.
 1. The Owner Last Name starts with a space.
 2. The Owner Last Name is missing (use “UNKNOWN” if name is not known).
 3. The Starting Transaction Date missing or in invalid format.
 4. The Owner Relationship code is missing or invalid.
 5. The Owner Type Code is empty or invalid.
 6. The Property Type Code is empty or invalid.
 7. The Deduction Code is empty, and a deduction amount is included in the property record.
 8. The Addition Code is empty, and an addition amount is included in the property record.
 9. Shares are reported on the property record, and the CUSIP is not a valid securities CUSIP.
 10. The Summary record counts and summary values do not match the detailed property, counts, and values.
 11. The shares remitted in the NAUPA II file do not match the actual shares remitted to the state.
- *Date of Last Contact:* The Date of Last Contact is a required element and should be populated into the “Starting Transaction Date” field. The date that should be entered into this field is the last account holder generated activity recorded in the account. If the property being reported is a type of periodic payment on the account, such as a check, the issue date of the property should be entered into the “Starting Transaction Date” field and the “Ending Transaction Date” should be populated with the account holder last activity date.

- *Relationship Codes*: When creating your electronic NAUPA II report use one of the relationship codes listed below. Proper reporting of accounts is necessary to ensure claims are paid appropriately.

NAUPA Standard Relationship Code	Description	NAUPA Standard Relationship Code	Description
AD	Administrator	OR	Unspecified Joint Relationship (Or)
AG	Agent For	OT	Other Relationship
AN	Unspecified Joint Relationship (And)	PA	Payee
BF	Beneficiary	PO	Power of Attorney
EX	Executor or Executrix	SO	Sole Owner
FB	For Benefit Of	UG	Uniform Gifts to Minor
JT	Joint Tenants	UN	Unknown

- *Owner Type Codes*: Designate each line item of property as one of the following three owner type codes:

Owner Type Code	Description	Note
OT	All Other	Most property should utilize this code
UN	Unknown	Use this code if the address of the owner is unknown
AG	Aggregate	Holders are encouraged to file all owner detail rather than remitting property in the aggregate

For more information regarding the creation of electronic NAUPA II reports, visit:

<http://www.unclaimed.org/reporting/naupa-standard-electronic-file-format/>

Paper Reporting

The State does **NOT** accept paper reporting of any kind. All attempts to submit a paper report will be rejected, and the holder will be directed to resubmit the report as a web-based record via the State's online portal:

<https://delaware.findyourunclaimedproperty.com/app/holder-info>.

What to Report

Additional detail regarding the property types and descriptions and dormancy reporting requirements for holders are available at 12 *Del. C.*, Ch. 11, Subch. II, and 12 *Del. Admin. C.* § 104. Significant statutory reforms were enacted in February 2017 with the passage of Senate Bill 13.

As outlined in 12 *Del. C.*, Ch. 11, Subch. II, the dormancy period of three (3) or more years affects all Security NAUPA codes SC01-SC99.

Any other non-securities debt or obligation, except traveler's checks, which has gone unclaimed or undelivered for five (5) or more years after the date the owner should have received it or was entitled to claim it must be reported. Include all property that has gone unclaimed for five (5) or more years as of the preceding December 31st, for all holders except Banking Organizations. Banking Organizations include all property that has gone unclaimed for five (5) or more years as of the preceding June 30th.

Unclaimed property should be reported to the State of Delaware pursuant to 12 *Del. C.*, Ch. 11, Subch. II.

NAUPA Property Type Codes with Applicable Dormancy Periods

Dormancy periods listed below are in years. For questions regarding property types and dormancy periods please contact (302) 577-8782, Option 2.

NAUPA Code	Property Type	Dormancy Period (YRS)		NAUPA Code	Property Type	Dormancy Period (YRS)
ACCOUNT BALANCES						
AC01	Checking Accounts	5		AC05	Money on deposit to secure fund	5
AC02	Savings Accounts	5		AC06	Security Deposit	5
AC03	Mature CD or Save Cert	5		AC07	Unidentified Deposit	5
AC04	Christmas Club Funds	5		AC08	Suspense Accounts	5
				AC99	Aggregate	5
UNCASHED CHECKS						
CK01	Cashier's Checks	5		CK09	Foreign Exchange Checks	5
CK02	Certified Checks	5		CK10	Expense Checks	5
CK03	Registered Checks	5		CK11	Pension Checks	5
CK04	Treasurer's Checks	5		CK12	Credit Checks or Memos	5
CK05	Drafts	5		CK13	Vendor Checks	5
CK06	Warrants	5		CK14	Checks Written off to Income	5
CK07	Money Orders	5		CK15	Other Outstanding Official Checks	5
CK08	Traveler's Checks	15		CK16	CD Interest Checks	5
				CK99	Aggregate	5
EDUCATIONAL SAVINGS ACCOUNTS (ESA)						
CS01	ESA - Cash	5		CS03	ESA - Securities	5
CS02	ESA - Mutual Funds	5				
COURT DEPOSITS						
CT01	Escrow Funds	5		CT04	Suspense Accounts	5
CT02	Condemnation Awards	5		CT05	Other Court Deposits	5
CT03	Missing Heir's Funds	5				
HEALTH SAVINGS ACCOUNT (HSA)						
HS01	Health Savings Account	5		HS02	Health Savings Account Investment	5

INSURANCE						
IN01	Individual Policy Benefits or Claim Payments	5		IN05	Premium Refunds	5
IN02	Group Policy Benefits or Claim Payments	5		IN06	Unidentified Remittances	5
IN03	Proceeds Due Beneficiaries	5		IN07	Other Amounts Due Under Policy Terms	5
IN04	Proceeds from Matured Policies, Endowments or Annuities	5		IN08	Agent Credit Balances	5
				IN99	Aggregate	5
MINERAL PROCEEDS						
MI01	Net Revenue Interest	5		MI06	Bonuses	5
MI02	Royalties	5		MI07	Delay Rentals	5
MI03	Overriding Royalties	5		MI08	Shut-in Royalties	5
MI04	Production Payments	5		MI09	Minimum Royalties	5
MI05	Working Interest	5		MI99	Aggregate	5
MISCELLANEOUS INTANGIBLE PROPERTY						
MS01	Wages, Payroll, Salary	5		MS10	Discounts Due	5
MS02	Commissions	5		MS11	Refunds Due	5
MS03	Workers Compensation Benefits	5		MS12	Unredeemed Gift Certificates	5
MS04	Payments For Goods & Services	5		MS13	Unclaimed Loan Collateral	5
MS05	Customer Overpayments	5		MS14	Pension & Profit Sharing	5
MS06	Unidentified Remittances	5		MS15	Dissolution or Liquidation	5
MS07	Un-refunded Overcharges	5		MS16	Miscellaneous Outstanding Checks	5
MS08	Accounts Payable	5		MS17	Miscellaneous Intangible Property	5
MS09	Credit Balance -- Accounts Receivable	5		MS18	Suspense Liabilities	5
				MS99	Aggregate	5

SECURITIES						
SC01	Dividends	3		SC11	Other Cert of Ownership	3
SC02	Interest (Bond Coupons)	3		SC12	Underlying Shares or other Outstanding Certificates	3
SC03	Principal Payments	3		SC13	Funds for Liquidation / Redemption of Un-surrendered Stock or Bonds	3
SC04	Equity Payments	3		SC14	Debentures	3
SC05	Profits	3		SC15	U S Govt Securities	3
SC06	Funds Paid to Purchase Shares	3		SC16	Mutual Fund Shares	3
SC07	Funds for Stocks & Bonds	3		SC17	Warrant (Rights)	3
SC08	Shares of Stock (Returned by Post Office)	3		SC18	Mature Bond Principal	3
SC09	Cash for Fraction Shares	3		SC19	Dividend Reinvestment Plans	3
SC10	Un-exchanged Stock of Successor Corp	3		SC20	Credit Balances	3
				SC99	Aggregate	3
TANGIBLE PROPERTY						
SD01	SD Box Contents	5		SD03	Other Tangible Property	5
SD02	Other Safekeeping	5				
FIDUCIARIES						
TR01	Paying Agent Account	3		TR04	Escrow Accounts	3
TR02	Undelivered or Uncashed Dividends	3		TR05	Trust Vouchers	3
TR03	Funds held in Fiduciary Capacity	3		TR99	Aggregate	3
IR01	Traditional IRA - Cash	3		IR05	Roth IRA - Cash	3
IR02	Traditional IRA - Mutual Funds	3		IR06	Roth IRA - Mutual Funds	3
IR03	Traditional IRA - Securities	3		IR07	Roth IRA - Securities	3

UTILITIES						
UT01	Utility Deposits	5		UT03	Refunds or Rebates	5
UT02	Membership Fees	5		UT04	Capital Credit Distributions	5
				UT99	Aggregate	5

Due Diligence Requirements

For Property subject to the custody of the State pursuant to the Abandoned or Unclaimed Property Law, the following is an example of an outreach "due diligence" letter approved by the Department of Finance:

<Holder Letterhead>

<Date>

<Owner Name/Address>

Dear <Owner>,

Notice: The State of Delaware requires us to notify you that your property will be transferred to the custody of the State Escheator if you do not contact us before <insert date 30days after the date of this notice.>

The State requires us to make a diligent attempt to <renew contact with><reissue the property to> the owner. If contact is not renewed we are required to transfer your property to the custody of the State of Delaware. The State may sell property that is not U.S. legal tender. If property is turned over to the State, you may file a claim with the State for the return of the property or the proceeds of the sale.

Property Specifics:

Type of Property: _____ Account/Check No.: _____

Amount: _____ Date of last Contact: _____

Any Additional Information:

To <reestablish contact> <receive your property>, you may sign below and return this letter in the enclosed envelope no later than <insert # of days> from the date of this letter. Once we have the signed letter we will <restore your account to and active status><or reissue the property>. If you have any updated address information, please provide it in the space below.

Signature:

Title: _____ Date: _____

Address (if new):

Social Security # (last four) or Federal Tax ID Number (if applicable):

If you require additional assistance, please call us at <insert telephone contact and/or email>.

Effective February 2017, pursuant to Senate Bill 13, Holders are no longer required to advertise in a local newspaper or advertisement source. All due diligence must be completed through direct mailings to each known owner.

All Holders with non-securities-related property considered dormant and valued over \$50.00, must conduct a due diligence mailing in order to attempt to reunite the owner with their property. All Holders with securities related property considered dormant, regardless of value, must conduct a due diligence mailing in order to attempt to reunite the owner with their property. The due diligence mailing must be sent via first class mail and should occur no more than 120 days and no less than 60 days before filing the report.

NOTICE: The expense incurred for due diligence mailings cannot be deducted from the remitted amount.

OTHER INFORMATION

Reciprocal Agreements

At present the State of Delaware has no reciprocal agreements with any other jurisdiction. All property with an address in any other state of the United States, the District of Columbia, or any territory or possession of the United States, must be reported in compliance with that jurisdiction's unclaimed property laws.

Negative Reports

Negative reports may be submitted but are not required.

Aggregate Amounts

Reporting aggregate amounts is ONLY permissible when account **and** owner details are truly unknown **AND** the amount of the property being escheated is less than or equal to \$50.00.

Providing owner detail at the time of reporting and remittance reduces the likelihood that Delaware will need to contact you in the future regarding owners who may come forward to claim the property.

Preliminary Reports

Preliminary reports are no longer required and will **not** be accepted.

Claims and Owner Inquiries

When directing owners to Delaware to claim property that has previously been escheated to the State, it is the Holder's responsibility to provide the claimant with as much information regarding the property as possible. (e.g., date reported, property amount for owner, full registration supplied to the State).

Claimants should be directed to our website <https://delaware.findyourunclaimedproperty.com/> where they can search for their property and submit a request online along with all other required information.

Claimants can also reach the State's office by calling (855) 505-7520 or submitting questions via email at escheat.claimquestions@state.de.us.

Delivery of Securities

Please confirm whether securities have been transferred to the State account. Your full liability is not satisfied until this information is received.

Verification

Verification is made via the online Holder reporting portal. Please be advised that it is recommended that all escheatments are completed by a senior managerial staff member or higher. Regardless of title, the individual filing the report must have the authority to make decisions on behalf of the organization for escheatment purposes.

PAYMENT INSTRUCTIONS

CHECKS, WIRE TRANSFERS, & ACH

Cash Reporting Only (Checks, Wire Transfers & ACH Payments)

Delaware's Federal Employer Identification is 51-6000279.

- *For Checks:* Please make checks payable to: Delaware State Escheator. All checks must include the organization's name and EIN used during submission of the report.

Mail all checks to:

Delaware Department of Finance
Office of Unclaimed Property
820 North French St
8th Floor
Wilmington, DE 19801

For ACH or Wire Transfers: **Advance notification of ACH and wire payments is required.** Contact the State of Delaware via e-mail at DOF_holderreceiptsquestions@state.de.us or at (302) 577-8782, Option 3, and include the organization's name and EIN used during submission of the report in the notification.

Securities Registration and Remittance

All DTC eligible shares must be deposited through DTC or DWAC (if not a DTC participant). Fractional shares **must** be sold prior to escheatment and reported as cash in lieu of. The DTC Transfer and Physical Delivery instructions are listed below.

EFFECTIVE JULY 18, 2016, OUR CUSTODIAN BANK OF NEW YORK MELLON (BNY MELLON) HAS CONSOLIDATED WITH GLOBAL SECURITIES PROCESSING (GSP). THE STATE OF DELAWARE'S DTC, AGENT BANK AND ACCOUNT NUMBER HAVE CHANGED.

IMPORTANT: Documentation demonstrating that reported securities have been transferred into the ownership of the state is required to satisfy an escheat liability.

- **For DTC (Electronic) Transfer:**

DTC # 901
Agent Bank # 26500
Reference: Dover & Co
Acct # 822436

Holders are required to notify the State of all securities being delivered two days prior to actual delivery. The notification must include a list of the securities, their CUSIP numbers, the number of shares, issue names, and the delivering party's DTC participant number. This information should be faxed to:

1. Conduent at (617) 532 -8762, Attn: Custody Department

AND

2. Delaware State Escheator at (302) 622-4114, Attn: Securities Unit, or E-mail escheat.holderquestions@state.de.us

All dividend reinvestment elections should terminate after registration. All income dividends and capital gains should be paid in CASH. DO NOT ELECT A REINVESTMENT OPTION.

- **Federal Reserve Book Eligible Securities Delivery Instructions:**

Federal Reserve Bank of New York
ABA# 0210-0001-8
BK of NYC/CUST
FBO – State of Delaware; Account # 822436

- **Delivery of Foreign Securities:**

When attempting to deliver foreign securities, please contact Conduent at (617) 722-9655 to obtain delivery instructions and account information.

- **For Dividend Reinvestment Plans (DRP) and Closed End Mutual Fund Accounts:**

DTC # 901
Agent Bank # 26500
Reference: Dover & Co.
Acct # 822436

Close DRP accounts and forward whole shares only via DTC. **Fractional shares must be sold and proceeds applied to each individual property when filing.** Do not total fractions for all owners and liquidate. Please include the proceed remittance check with your final payment.

- **For Physical Stock Certificates – Securities not eligible for DTC:**

To remit physical stock certificates, the stock must be reregistered in the following name:

Dover & Co.
EIN: 43-2016158
820 North French Street
Wilmington, DE 19801

Please include all physical stock certificates with your submission of your payment.

- **For Open End Mutual Fund Accounts:**

Accounts held for the State must be registered in the name of Mac & Co. Conduent will provide account numbers for all mutual funds transferred to the state's account. Contact Conduent at UPCH.Custody@conduent.com providing a list including CUSIP number, name of the fund, and share amount to obtain account numbers. Please contact Conduent no less than 3-4 business days prior to attempting delivery.

Please ensure that interested party statements are sent to:

- Conduent State & Local Solutions, Inc.
Custody Department
100 Hancock Street, 10th Floor
Quincy, MA 02169
- Delaware Department of Finance
Office of Unclaimed Property
820 North French St
8th Floor
Wilmington, DE, 19801

These statements should be sent no later than two days prior to actual delivery and should include a list of the mutual funds, their CUSIP numbers, the number of shares and issue names. This information should be faxed to:

1. Conduent at (617) 532-8762, Attn: Custody Department

AND

2. Delaware State Escheator at (302) 622-4114, Attn: Securities Unit or E-mailed to escheat.holderquestions@state.de.us

All dividend reinvestment elections should terminate after registration. All income dividends and capital gains should be paid in CASH. DO NOT ELECT A REINVESTMENT OPTION.

- **Worthless and Non-Transferable Securities:**
Delaware will no longer accept **worthless** securities. **Do not report or remit worthless securities.** At such time that the security gains value, it should be reported and remitted during the next reporting cycle.

If shares or mutual funds are non-transferable but **can be liquidated**, the position should be liquidated and the liquidation proceeds should be listed on the electronic report and remitted in lieu of the shares.

If securities are **non-transferable, unable to be liquidated, and yet have value**, they should be moved to an account on the books of the broker/agent registered to: Delaware Office of Unclaimed Property, Dover & Co; EIN 43-2016158. The same account should be used year after year; do not open multiple accounts in the State's name.

Until a statement is received to validate non-transferable positions, the report cannot be reconciled, which may result in the delay of claims payments to all owners listed on the report.

FREQUENTLY ASKED QUESTIONS

When is the filing deadline?

Deadlines can be found on page 5 of this document or by going to:
<http://delcode.delaware.gov/title12/c011/index.shtml>

If the reporting deadline falls on a weekend or holiday, when is the report due?

The report would be due no later than the following business day. For example, the March 1, 2015 reporting deadline was on a Sunday. Reports were due by end of the day on Monday, March 2, 2015.

Checks must be postmarked no later than the final filing date for that year. All checks should include the organization's name and EIN used during submission of the report.

In order for a report and payment to be considered “on-time,” does it need to be in the Delaware office by the due date or post-marked by the due date?

Delaware will consider the Holder Reporting Process “on-time” if a Holder's reports are submitted through the web-based portal by the end of the day on the due date **AND** the check is post-marked by the same respective due date.

How do I create an electronic report?

There are two resources where holders can download software in order to help create an electronic NAUPA II report:

www.unclaimed.org/reporting
www.wagers.net

More information regarding the standards required for creating electronic reports can be found on pages 6 – 8.

Is an AP-2 form required to be completed when I file an electronic report?

No.

What dates should be used in the Starting and Ending Transaction Date fields on the Electronic Report?

“Starting Transaction Date” is a REQUIRED field and should be populated with the account holder’s last activity date. If the property being reported is a type of periodic payment on the account, such as dividends or royalties, the issue date of the property should be entered into the “Starting Transaction Date” field and the “Ending Transaction Date” should be populated with the account holder’s last activity date.

Can I email my electronic NAUPA II file?

No. All filings must be completed in a web-based format via the online portal:
<https://delaware.findyourunclaimedproperty.com/app/holder-info>

What is the dormancy period for securities-related property?

3 years.

Can I liquidate shares that cannot be sent to DTC?

Yes, shares that have value but cannot be transferred may be liquidated. Proceeds, not the share amount, should be listed on the electronic report.

Can I deduct service fees from property reported and remitted?

No. Property and remitted amounts need to be escheated in full.

Do I need to file a negative report if I have nothing to report?

Negative reports may be filed but are not required.

I realized my report is incorrect after I filed. How can I correct it and obtain a refund?

Any property that was escheated in error can be obtained by contacting the Claims Department and filing a Holder Reimbursement Claim. Claim questions or inquiries can be emailed to: escheat.claimquestions@state.de.us or call (855) 505-7520.

I found additional property that is due. Can I submit a second report in the same filing period?

Yes. Additional property can be submitted via a supplemental report. Please complete this process through the online filing portal:

<https://delaware.findyourunclaimedproperty.com/app/holder-info>.

I erroneously reported property to another jurisdiction that should have been reported to Delaware. What should I do?

The holder has the obligation to report the property to Delaware. The holder will need to contact the other jurisdiction to retrieve the property.