



# INDIANA UNIVERSITY

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## Cash Control University Office of the Controller

### Unclaimed Property Guideline

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#### Background Information:

To comply with Indiana law, Indiana University is required to report and remit unclaimed property to the Indiana Attorney Generals Unclaimed Property Division.

IC 32-34-1-20 provides detailed information regarding when a specific type of property is considered abandoned (and must be remitted to the state).

While there are many types of property that are within scope of this particular regulation/law, the most common types encountered at the University include: outstanding checks, dormant account balances (i.e., royalties due, customer overpayment, credit balances in Bursar or Non-Student AR), unused prepaid meal cards or campus card balances, or security deposits. For each of these property types, the law indicates that property that has been held or owed in the ordinary course of business for three years should be transferred to the State of Indiana.

Generally, IU Gift Cards or Certificates are not included in this process and will be reviewed on a case by case basis. After review, UCO will determine if the following procedure applies to that specific set of circumstances.

An unpaid (wage) paycard will be handled by the paycard company. An unpaid payroll check has a separate process and would be submitted after one year. The following procedure does not apply to unpaid wages.

Royalties and other payments due to foreign vendors have possible tax implications and need to be processed in a specific manner and cannot be directly transferred. Please [contact](#) UCO Cash Control before taking action.

For any other unclaimed property, please contact Cash Control before proceeding.

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## Procedure:

Outstanding checks are considered stale after six months and tracked centrally. For this specific type of property, no action is needed by the department. For additional information, please see [FAQ document](#).

For dormant account balances, unused prepaid meal cards or campus card balances, security deposits, or royalties due, the department should issue a check after six months from the time the credit balance was created unless the department knows the address on file is a bad address. Once the dormant account balance is refunded by issuing a check, the automatic process for outstanding checks will be invoked and the department will need to take no further action. UCO will periodically inquire about outstanding checks written to your accounts. If a check issued for a credit balance becomes unclaimed it may remain unclaimed and does not need to be returned to the original account unless the payee is located and a reissue is requested or the account is reactivated.

If the department knows that the address on file is not valid then they should continue efforts to contact the owner of the property to obtain a valid address. If these efforts have been exhausted or if the property has been held or owed in the ordinary course of business for three years then the department should transfer the property to Office of the University Controller Cash Control to facilitate the transfer to the State of Indiana.

In order to transfer to Office of the University Controller Cash Control, the department/unit will need to initiate a transaction in the KFS (see accounting section below). The KFS transaction can be done as a batch total rather than individual accounting lines for each piece of property.

The department or unit will also need to provide supporting documentation for the transaction using slashtmp. The documentation should contain the following information (if known), Property Record Number, Property Description, Payee Name, Address, Vendor Number, Department/Unit Account Number, and the Amount of the Property. This information should **NOT** be emailed or attached to the KFS document notes.

Once the supporting documentation is received, the KFS transaction will be approved.

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## Schedule of Events:

As a general rule of thumb, property that became dormant on or before three years proceeding June 30 of the current fiscal year should be transferred to Office of the University Controller Cash Control. The schedule below illustrates the schedule of events for Fiscal Year 2012.

<b>Dates</b>	<b>Activity</b>
January 1, 2013 through May 31, 2013	Departments/Units transfer any property to Office of the University Controller Cash Control that will become dormant as of 6/30/13. This includes any property issued on or before 6/30/2010.
Date of Transfer through October 14, 2013	Property will temporarily reside in a central University account and can be retrieved if balance becomes active again up to the time the property is remitted to the state.
October 15, 2013	Property will be transferred to The State of Indiana.

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## Accounting Entries:

In most situations, the unclaimed property will reside in a liability or asset object code in the department's operating account. Examples of both of these situations are listed below for your reference. If the unclaimed property resides in another type of object code then please contact Office of the University Controller Cash Control if you need assistance with preparing the document to transfer the balance. It is very important that the department transfer the unclaimed property. Please do NOT include unclaimed property in your annual submission of accounts receivable write-offs.

If the department/unit has property with a credit balance recorded in their account as a liability then the following entries should be followed to transfer the property Office of the University Controller Cash Control.

Document Type Distribution of Income/Expense (DI):

FROM:

[Departmental/Unit Account Number]    [Liability Object Code]    [Amount]

TO:

[68-127-55]    [9000]    [Amount]

If the department/unit has property with a credit balance recorded in their account as an asset then the following entries should be followed to transfer the property to Office of the University Controller Cash Control.

Document Type Distribution of Income/Expense (DI):

FROM: (there are no entries on the FROM side of the DI in this example)

TO:

Line 1    [Departmental/Unit Account Number]    [Asset Object Code]    [Amount]

Line 2    [68-127-55]    [9000]    [Amount]

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## Liability Example:

On August 1, 2009, ABC department received a deposit of \$500. This deposit is intended to be returned at the end of the agreement. ABC recorded the \$500 as a deposit liability at time of receipt.

Account Number	Object Code	Debit	Credit
60-XXX-XX	8000	\$500	
60-XXX-XX	9118		\$500

ABC department has been unable to locate the individual and transfers the deposit to Office of the University Controller Cash Control on April 1, 2013.

DI Document:

FROM 60-XXX-XX 9118 \$500  
TO 68-127-55 9000 \$500

The General Ledger (GL) Entries posted include:

Account Number	Object Code	Debit	Credit
60-XXX-XX	9118	\$500	
60-XXX-XX	8000		\$500
68-127-55	8000	\$500	
68-127-55	9000		\$500

On October 15, 2012, Office of the University Controller Cash Control transfers the property to The State of Indiana by initiating a Disbursement Voucher (DV) payment. The GL Entries posted include:

Account Number	Object Code	Debit	Credit
68-127-55	9000	\$500	
68-127-55	8000		\$500

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## Asset Example:

On September 1, 2010, DEF department issued an invoice for \$300 to a specific customer.

Account Number	Object Code	Debit	Credit
60-XXX-XX	8119	\$300	
60-XXX-XX	1800		\$300

On September 15, 2010, the customer paid DEF department \$500; thus, creating a \$200 credit balance in accounts receivable.

Account Number	Object Code	Debit	Credit
60-XXX-XX	8000	\$500	
60-XXX-XX	8119		\$500

ABC department has been unable to locate the individual and transfers the deposit to Office of the University Controller Cash Control on April 1, 2013.

DI Document:

TO 60-XXX-XX 8119 \$200  
TO 68-127-55 9000 \$200

The General Ledger (GL) Entries posted include:

Account Number	Object Code	Debit	Credit
60-XXX-XX	8119	\$200	
60-XXX-XX	8000		\$200
68-127-55	8000	\$200	
68-127-55	9000		\$200

On October 15, 2013, Office of the University Controller Cash Control transfers the property to The State of Indiana by initiating a Disbursement Voucher (DV) payment. The GL Entries posted include:

Account Number	Object Code	Debit	Credit
68-127-55	9000	\$200	
68-127-55	8000		\$200

## Refund Check Example:

On August 1, 2009, ABC department received a deposit of \$500. This deposit is intended to be returned at the end of the agreement. ABC recorded the \$500 as a deposit liability at time of receipt.

Account Number	Object Code	Debit	Credit
60-XXX-XX	8000	\$500	
60-XXX-XX	9118		\$500

ABC department apparently locates the individual and issues a refund check on April 15, 2010.

DV Document

Account Number	Object Code	Debit	Credit
60-XXX-XX	8000		\$500
60-XXX-XX	9118	\$500	

Assuming the check is not cashed: On November 1, 2010 UCO reconciles outstanding checks and records a cash receipt to unclaimed property for checks older than 6 months as of October 31, 2010. This amount includes the \$500 refund check issued on April 15.

AD Document

Account Number	Object Code	Debit	Credit
60-128-55	8000	\$500	
60-128-55	9000		\$500

Three Outcomes:

Reissue DV: ABC Department locates the individual again, between November 1, 2010 and October 15, 2013, and requests a stale check reissue out of unclaimed property.

Account Number	Object Code	Debit	Credit
60-128-55	8000		\$500
60-128-55	9000	\$500	

Cancel DI: ABC Department locates the individual again, between November 1, 2010 and October 15, 2013, and requests the balance be applied back to its account for application to a current transaction.

Account Number	Object Code	Debit	Credit
60-128-55	8000		\$500
60-128-55	9000	\$500	

60-XXX-XX	8000	\$500	
60-XXX-XX	9118		\$500

Escheat DV: On October 15, 2013, Office of the University Controller Cash Control transfers the property to The State of Indiana by initiating a Disbursement Voucher (DV) payment. The

Account Number	Object Code	Debit	Credit
60-128-55	8000		\$500
60-128-55	9000	\$500	

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## Definitions:

**Property:** An interest in intangible personal property, except an unliquidated claim, and all income or increment derived from the interest, including but not limited to: money, a check, a draft, a deposit, a credit balance, a customer overpayment, a security deposit, a refund, a credit memorandum, or an unpaid wage.

**Dormant:** Property that has been held in a university account for a specific number of years that has been not applied to a current bill in the form of a credit, used by the account holder, or paid with a check has been allowed expire.

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## Frequently Asked Questions:

**Is there a minimum threshold?** No. All balances large and small are reportable.

**What if the payee is deceased?** The property is still reportable.

**What if the payee name or address is unknown?** Property with as little as an explicit recorded amount is reportable. A payee name and/or address are not required.

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## Related Information:

Unclaimed Checks <https://controller.iu.edu/cgi-bin/cfl/dl/202009301042104342691499>

Stop Payment FAQ <https://controller.iu.edu/cgi-bin/cfl/dl/202009301042104342691499>

Article 34. Lost or Unclaimed Property <http://www.in.gov/legislative/ic/code/title32/ar34/ch1.html>

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## Contact Information:

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