

# Welcome to Life Cycle of Uncashed State Checks

Our presentation will begin at the top of the hour

## Please Note:

- If you experience technical difficulties during this presentation, please note that this session is being recorded and will be available for viewing at:  
<https://www.osc.state.ny.us/state-agencies/training>.
- Any questions can be sent to: [Outreach@osc.ny.gov](mailto:Outreach@osc.ny.gov).



# Office of Operations 2021 Fall Conference

## Life Cycle of Uncashed State Checks



NYS COMPTROLLER

**THOMAS P. DiNAPOLI**

# Presenters

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# Agenda

- Introductions
- Core Functions and Key Services
- Abandoned Property Law
  - Section 1315 – Uncashed State Checks
  - Section 1422 – Due Diligence Requirements
- Outreach and Reporting
  - Due Diligence Outreach Process
  - Reporting Overview
  - Reissuing Checks
- References



# Unclaimed Funds

- What are “unclaimed funds”?
  - Funds (cash and equities) that have been dormant for a set period.
- How much is unclaimed?
  - \$17 Billion!
- Where do the funds come from?
  - Banks, Corporations, Brokers, Insurance Companies, Courts, State Agencies and Institutions, and more.
  - Last year - received \$976.5 million from holders (\$79.6 million from uncashed state checks).
- Where do the funds go?
  - State’s General Fund until the rightful owner claims it.
  - Returned \$400 million to owners and transferred \$572.2 million to the General Fund last year.

# Office of Unclaimed Funds

## Core Functions

- **Pay Claims**
  - Returned \$400 million to owners last year
  - Processed 800,000 accounts
- **Process Reports**
  - 12,000 reports filed annually
  - 2 million new accounts added each year
- **Audit holders to ensure compliance with the law**
  - 143 audit reports issued with \$144 million recovered through audits
  - \$23.5 million recovered through Voluntary Compliance Program



# Office of Unclaimed Funds

## Key Services

- Raise public awareness of unclaimed funds
  - Seek out and return unclaimed funds to rightful owners
  - Mailed over 118,000 letters to newly reported owners of unclaimed funds
- Provide guidance and expertise to holder and filing options that facilitate the reporting process
  - Conducted 3 holder education events
  - Updated website and online reporting instructions
  - Created eLearning videos
  - Mailed over 33,000 amnesty invitations to companies who have not reported
- Create, maintain and publish a database of owners
  - Over 10 million searches conducted annually
  - Most claims can be submitted online



# Abandoned Property Law (APL)

- Enacted in 1943, defines abandoned property and holders
- Establishes the Comptroller as “custodian” of unclaimed funds
- Serves to safeguard lost or forgotten assets belonging to New York State residents
- Directs holders in the proper disbursement of property deemed as abandoned or unclaimed
- Used for the benefit of the citizens of New York State until they are claimed



# APL – Section 1315

## Coverage for uncashed checks issued by State agencies

Any amount representing an unpaid check or draft issued by the State of New York, or a debit or payment card issued on behalf of the State of New York for the purpose of paying a tax refund, which shall have remained unpaid after 1 year from the date of issuance in accordance with Section 102 of the State Finance Law shall be deemed abandoned property and shall be paid to the State Comptroller.

See also: *Guide to Financial Operations*, Chapter XIV, Section 1 - Outstanding Check Outreach and Escheatment



# APL – Section 1422

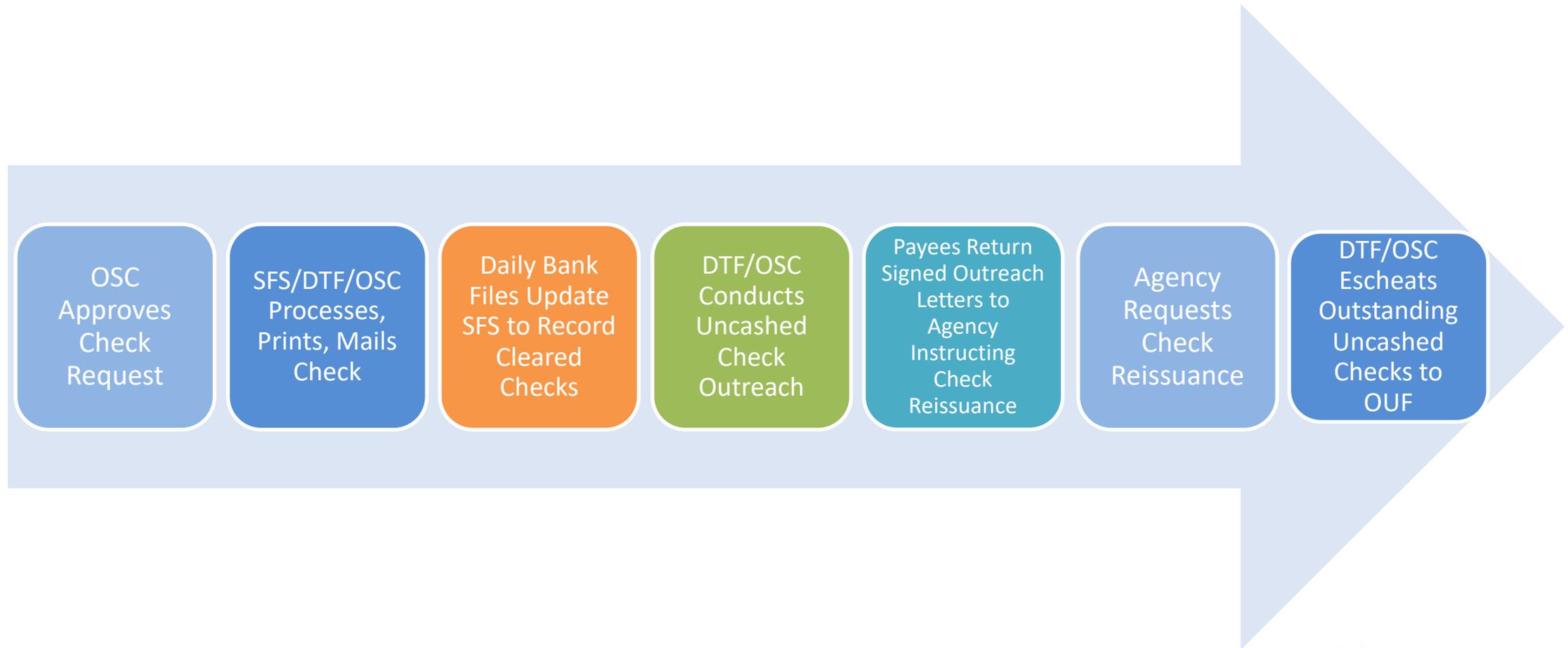
## Due Diligence - Outreach

- At least 90 days prior to the final report, the holder must send a notice by first class mail to each person whose name is expected to appear on the report unless the address is unknown, or the holder can demonstrate that the address it has for the owner is not the owner's current address.
- In addition, at least 60 days prior to the final report, the holder must send a second notice by certified mail, return receipt requested, to each person whose name is expected to appear on the report whose abandoned property is valued in excess of \$1,000 unless a claim has been initiated since the first notice was sent, or the first notice was returned as undeliverable.

See Also: *Guide to Financial Operations*, Chapter XIV, Section 1 - Outstanding Check Outreach and Escheatment



# Uncashed State Checks Process



# eLearning



Office of the NEW YORK  
**STATE COMPTROLLER**  
NYS Comptroller Thomas P. DiNapoli

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- Search for Lost Money
- Check Claim Status
- Submit Claim Documents
- How to File a Claim ▾
- Report Unclaimed Funds ▾
- Forms and Publications
- About Unclaimed Funds
- Glossary
- Contact Us

## eLearning Videos and Resources

The videos here provide explanation and guidance on reporting procedures. Check back often for new videos and links to resources.

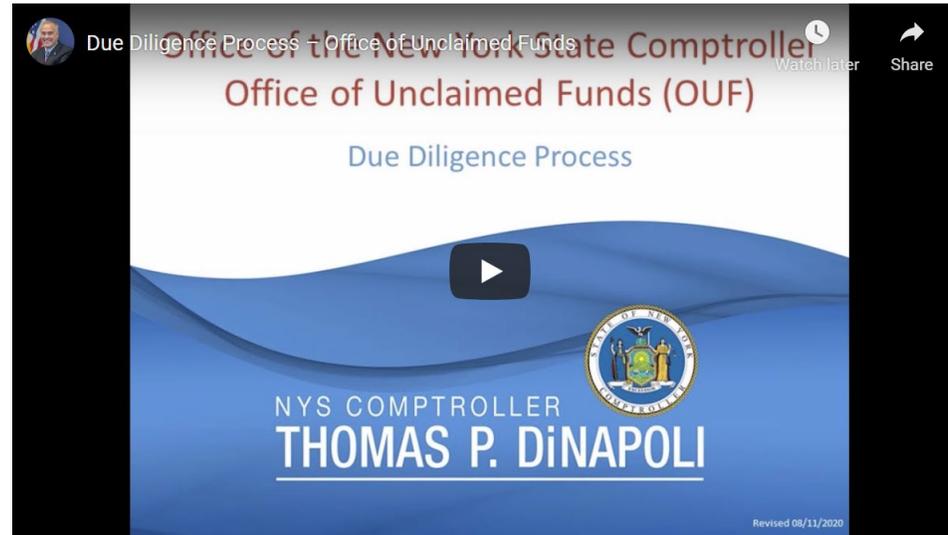
If there are additional topics that would be useful to you, submit those ideas to [NYSVCU@osc.ny.gov](mailto:NYSVCU@osc.ny.gov).

- ▾ Due Diligence Process Video 
  - ▾ Reporting Process Video
  - ▾ Using OUF's Excel Template - New
  - ▾ Secure File Upload Process Video
  - ▾ Online Holder Reporting - Coming Soon
  - ▾ Voluntary Compliance Program - New
- 

# eLearning

## Due Diligence

^ [Due Diligence Process Video](#)



### Resources from this Video

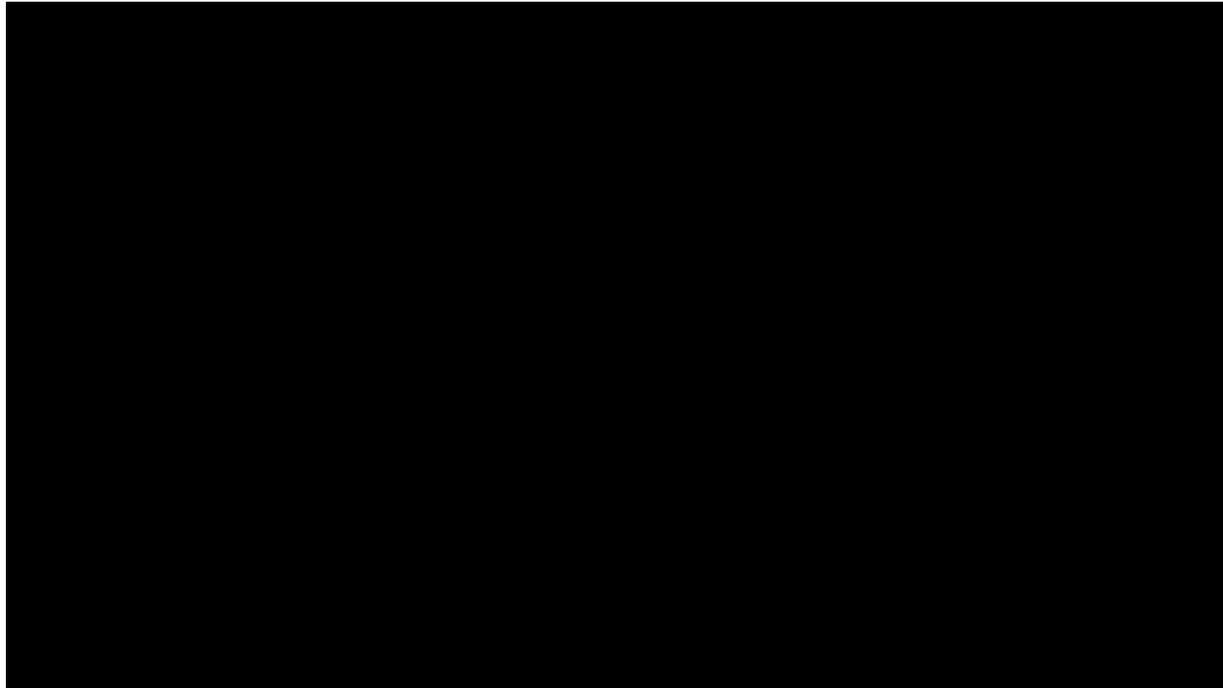
- [Due Diligence](#)
- [NYS Abandoned Property Law](#)
- [Industry Handbooks](#)
- [Glossary](#)
- [U.S. Securities and Exchange Commission](#)

# Due Diligence

## eLearning Videos and Resources

The videos here provide explanation and guidance on reporting procedures. Check back often for new videos and links. If there are additional topics that would be useful to you, submit those ideas to [NYSVCU@osc.ny.gov](mailto:NYSVCU@osc.ny.gov).

^ [Due Diligence Process Video - New](#)



# *Guide to Financial Operations (GFO)*

## Chapter X, Section 3.A.1 and Chapter XII, Section 6.D.2

- Agencies should enter the Vendor Name in SFS on the voucher or vendor file using the following standard formats:
  - **Use** CAPITAL LETTERS for the entity's legal name
  - **Do not** enter a Doing Business As (DBA) name
  - **Use** First Name Middle Initial Last Name format for individuals and use a space between each, for example: JOHN J SMITH
  - **Do not** use any punctuation or special characters except when "&" is part of the entity's legal name, for example: PETERSON LAMBERT BACHMAN & CAREY LLC
  - If the entity's legal name contains initials, enter the initials with no spaces or punctuation in between the initials, for example: IBM INC
  - Compress last names that contain a space, example: Enter DE BONIS as DEBONIS
  - Replace hyphens with a space, for example: Enter WATSON-ERRICK as WATSON ERRICK
  - **Never** include prefix titles for individuals, such as Dr., Ms., Mr., etc.
  - **Only use** "THE" if it is part of the entity's legal name, except when it is the first word of the legal entity name, for example: SAVE THE CHILDREN, or THE BELL GROUP as BELL GROUP



# Reporting Uncashed State Checks

## Checks Issued by State Agencies

- **General Checking Account – Treasury and OSC**
  - Signed by the Commissioner of Tax and Finance and the Comptroller
    - Vendor Checks
    - SSI-SSP (Supplemental Security Income-State Supplemental Payments) Checks
    - State Payroll Checks
- **Comptroller’s Refund Account – OSC**
  - Signed by the Comptroller only
    - Refund Checks
- **Agency Held Accounts (non-SFS) - Agency**
  - Signed by Agency Head
    - Petty Cash



# Outreach Process for Uncashed State Checks

- OSC performs the outreach for refunds issued out of the Comptroller's Refund Account and for payroll checks
- The Department of Tax and Finance (DTF) Treasury performs the outreach for Vendor, Employee Expense and SSI/SSP checks issued out of the General Checking account
- Originating agencies are the point of contact for the payee to request reissuance for checks issued out of SFS (Vendor, Employee Expense, SSI-SSP and Comptroller's Refund checks)
- Outreach letters for uncashed checks issued in 2020 were mailed in July 2021 and again in September 2021 and will be escheated to OUF on or before June 10, 2022, according to the APL; however, in practice checks will be escheated by April 30, 2022

See also: *Operational Advisory* Numbers [8](#) and [9](#) and [State Agencies Bulletin Number 1858.1](#)



# What Do I Do?

- Answer: It depends.
  - DTF and OSC perform outreach and reporting for checks written out of SFS and State Payroll.
  - Agencies are responsible for outreach and reporting for any checks written from agency sole custody accounts.
  - Agencies must perform check re-issuance requests as a part of the outreach process for checks issued out of SFS.



# What do I do?

Answer: it depends.

## Outreach

### Checks Issued from SFS and Payroll

- DTF and OSC perform outreach and reporting for checks written out of SFS and State Payroll

### Sole Custody Checks

- Agencies are responsible for outreach and reporting for any checks written from agency sole custody accounts

Agencies submit check reissuance requests as part of outreach





STATE OF NEW YORK

NOTIFICATION AND CLAIM TO OWNER OF UNCASHED NEW YORK STATE CHECK(S)

July 14, 2021

Corrected Address:

Three horizontal lines for address correction

Vendor ID:

Payee:

TEST PAYEE NAME 1 - "A" WARRANT XXXXXXXXXXXXXXXXXXXXZ
TEST PAYEE NAME 2 - OVER \$1000 XXXXXXXXXXXXXXXXXXXXZ
TEST ADDRESS 1 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXZ
TEST ADDRESS 2 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXZ
TEST ADDRESS 3 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXZ
TEST CITY STATE ZIP XXXXXXXXXXXXXXXXXXXXXXXXZ 12345-6789



Our records indicate the below referenced check(s) were issued by New York State to the payee noted above and have not been cashed. If you have these check(s) in your possession, please cash them immediately, no later than April 1, 2022.

If you do not have these check(s) in your possession, complete steps 1 through 5 to request replacement check(s). If all steps are not completed, replacement checks may not be issued. Return this entire letter by August 20, 2021.

- 1. Is your address correct? \_\_\_ YES \_\_\_ NO If no, correct your address above.
2. Put an 'X' to the left of each payment for which you, or someone for whom you are authorized to make claim on behalf of, are entitled and would like a replacement check issued.

Table with 6 columns: Check #, Issue Date, Amount, Check #, Issue Date, Amount. Two rows of dashes below the header.



**EXAMPLE**

3. Are you authorized and claiming these payment(s) on behalf of someone other than yourself?  YES  NO  
**IMPORTANT NOTE:** If you are claiming on behalf of someone who is deceased, you must enclose an original copy of the death certificate.

4. Sign the below attestation:

To the best of my knowledge the above described checks were not received or cashed by me. In consideration of the issuance of replacement checks payable as originally drawn, if I/we have not done so already, I/we agree to destroy the original checks should the original checks at any time hereafter come into my/our possession or control, and I/we further agree to reimburse the State of New York for any loss or damage by reason of the issuance of the replacements check for which application is made herein. I/We hereby affirm the above to be true under the penalties of perjury.

\_\_\_\_\_  
Signature of Payee(s) or Representative

\_\_\_\_\_  
Date

5. Return this **ENTIRE** letter to:

New York Statewide BU  
NYS-OSC  
OSC Payroll Deductions Maildrop 8-2  
110 State Street  
Albany NY 12236  
518/474-4042

**If you are unable to contact the Agency using the information above, please contact the SFS Helpdesk at 1-855-233-8363.**

If these check(s) are not cashed, they will be considered abandoned property and shall be turned over to the Office of Unclaimed Funds at the Office of the State Comptroller. After April 30, 2022, you must contact the Office of Unclaimed Funds <http://www.osc.state.ny.us/out/index.htm> to claim these funds.

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# Replacement Checks

## General Checking – Vendor, Employee Expense (“A” Checks) and SSI-SSP Checks (SSP Checks)

The process for replacing checks via outreach letter requests will be consistent with the current SFS check replacement procedures. Signed outreach letters that are returned will serve as authorization for reissuance of a check to the payee.

### Outreach Letter Check Replacement – Process

- Agency determines appropriate action to honor payee’s request and completes **Form TD-346**
- Return completed **Form TD-346** to Treasury at:  
[Treasury.TD346@tax.ny.gov](mailto:Treasury.TD346@tax.ny.gov)

### Outreach Letter Check Replacement – Alternate Process

- Agency must specify action to be taken (for example, reissue to same address, reissue to a different address) on the letter
- Return completed letters to Treasury at:  
[Treasury.TD346@tax.ny.gov](mailto:Treasury.TD346@tax.ny.gov)

If a payee returns a form indicating an address change, the address must be updated in SFS prior to submitting the outreach letter or TD346 Form to Treasury

# Replacement Checks

## Comptroller's Refund Account - "P" Checks

- Outreach Letter Check Replacement
  - The process for replacing checks via outreach letter requests will be consistent with the current SFS check replacement procedures.
  - Agency must email a completed **Form AC-3337** to the Bureau of State Accounting Operations at [Refunds@osc.ny.gov](mailto:Refunds@osc.ny.gov).
  - An Excel list of checks may be attached with one **Form AC-3337** form if the same action is required for all checks.
  - Agencies should monitor the NY\_AP\_OSC\_NYTR1650\_QRY to confirm check cancellations.



# Process Benefits

- Consistent outreach process and letter format to vendors, state citizens and others for all warrant types.
- Streamlined business process – leverages existing agency business processes for check replacement and closing the voucher.
- Bank account used for issuing original check will be used for replacement checks with an audit trail.
- Replacement checks will be issued with a different check number.
- Check Clearing Data – available in SFS, extract available.



# Reporting Timeline

Statutory – on or before:

➤ December 31, 2022

Cut –off Date

➤ March 10, 2023

First class mailing complete

➤ April 10, 2023

Certified mailing completed

➤ June 10, 2023

Final Report Completed and  
Remittance Due

Process in practice for uncashed checks  
issued from SFS – on or before:

➤ December 31, 2022

Cut –off Date

➤ July 15, 2022

First class mailing complete

➤ September 15, 2022

Certified mailing completed

➤ April 30, 2023 ★ all future claims  
related to these amounts should be  
referred to OUF

Final Report Completed and  
Remittance Due



# Overview of Reporting Process

- Track check status:
  - Uncashed 1 year from original issue date as of December 31
    - Example: Check issued June 1, 2021, is reportable June 10, 2023
- Conduct outreach:
  - Notice by first class mail (at least 90 days before report due date)
  - Notice by certified mail (in excess of \$1,000, at least 60 days before report due date)
  - Track responses and re-issuance
  - Mark returned mail
- Prepare report – refer to *Guide to Financial Operations*, Chapter XII, Section 6.D.2 - Paying a Single Payment Vendor
  - Owner details (payee name, address)
  - Account details (check amount, date)
- Submit report and remittance



# Agency Reporting 1, 2, 3!



- Enter Owner and Account Details:
  - Download software or file format
    - <https://www.osc.state.ny.us/unclaimed-funds/reporters/electronic-reporting>
  - Export file can be sent via CD/DVD or SFU
  - Paper Form AC2686 - 25 items or less
- Prepare Summary
  - Verification and Checklist Form AC2709
  - Provide name and contact information
- Send Remittance
  - Journal voucher, check or ACH



# Resources

## Office of Unclaimed Funds

- Office of Unclaimed Funds website
  - <https://www.osc.state.ny.us/unclaimed-funds>
- Handbook for New York State Agencies
  - <https://www.osc.state.ny.us/files/unclaimed-funds/reporters/pdf/state-agencies-handbook.pdf>
- Electronic Reporting
  - <https://www.osc.state.ny.us/unclaimed-funds/reporters/electronic-reporting>
- eLearning
  - <https://www.osc.state.ny.us/unclaimed-funds/reporters/elearning-videos-and-resources>

# Resources

## *Guide to Financial Operations*

- Chapter X, Section 3.A.1 - Online Vendor Add Portal  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/?redirect=legacy#X/3/A/1.htm%3FTocPath%3DX.%2520Guide%2520to%2520Vendor%252FCustomer%2520Management%7C3.%2520Vendor%2520Registration%7CA.%2520Agency%2520Vendor%2520Registration%7C> 1
- Chapter XII, Section 6.D.2 - Paying a Single Payment Vendor  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/?redirect=legacy#XII/6/D.htm%3FTocPath%3DXII.%2520Expenditures%7C6.%2520Unique%2520Payment%2520Situations%7C> 4
- Chapter XII, Section 9.C - Reissuing or Cancelling a Vendor, Employee or SSI/SSP Check  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/Content/XII/9/C.htm>  
[https://web.osc.state.ny.us/agencies/guide/MyWebHelp/Content/files/XII\\_9\\_C.pdf](https://web.osc.state.ny.us/agencies/guide/MyWebHelp/Content/files/XII_9_C.pdf)
- Chapter XII, Section 9.G - Reissuing or Cancelling a Refund Check  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/Content/XII/9/G.htm>
- Chapter XIV, Section 1 - Outstanding Check Outreach and Escheatment  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/Content/XIV/1.htm>
- Chapter XV, Section 10 - Uncashed Checks  
<https://web.osc.state.ny.us/agencies/guide/MyWebHelp/?redirect=legacy#XV/10.htm%3FTocPath%3DXV.%2520End%2520of%2520Year%7C> 7



# Resources

## Operational Advisories, Payroll Bulletins and Forms

- Payroll Bulletin Number 1684 New Form to Stop and Reissue a New York State Payroll Check  
<https://www.osc.state.ny.us/state-agencies/payroll-bulletins/state-agencies/1684-new-form-stop-and-reissue-new-york-state-payroll-check>
- Payroll Bulletin Number 1858.1  
<https://www.osc.state.ny.us/state-agencies/payroll-bulletins/state-agencies/18581-outreach-escheatment-2019-uncashed-payroll-checks>
- 2020 Operational Advisory - State Check Outreach  
<https://www.osc.state.ny.us/state-agencies/advisories/operational-advisory/8-state-check-outreach?redirect=legacy>
- 2020 Operational Advisory - Current Year Escheatment  
<https://www.osc.state.ny.us/state-agencies/advisories/operational-advisory/9-current-year-escheatment>
- Form TD-346 Request for Stop Payment, Replacement Check, Photocopy of Check or Forgery Affidavit (General Checking)  
<https://www.osc.state.ny.us/sites/default/files/state-agencies/documents/pdf/2020-01/agency-form-td346-fillable.pdf>
- Form AC-3340 Request for Payroll Check Stop Payment Form (Payroll Checks)  
<https://www.osc.state.ny.us/sites/default/files/state-agencies/documents/pdf/2019-03/payroll-file-ac3340-fillable.pdf>
- Form AC-3337 Request for Stop Payment, Check Reissue, Check Copy or Forgery Claim for the Comptroller's Refund Account (P and W Checks)  
<https://www.osc.state.ny.us/files/state-agencies/2020/pdf/ac3337-refund-cancel-form-fillable.pdf>



# Questions

