

## **UNCLAIMED PROPERTY POLICY**

**Purpose:** This policy is designed to comply with the New Mexico Uniform Unclaimed Property Act (1995) and outlines the University's procedures for handling checks issued by the University that are not cashed within 180 days from the date of issue. A NMSU check presented to the bank after 180 days is considered a stale dated check and cannot be cashed.

- 1) The Cost Accounting and Reporting (CAR) department, as part of its monthly bank reconciliation process, will identify all stale dated checks. Detailed information on stale dated checks will be kept in a separate database.
- 2) A list of stale dated checks will be forwarded monthly to the issuing department, accounts payable (A/P), payroll (PR), university accounts receivable (UAR), or branch campus.

Issuing department responsibilities:

- a. Verify that the amounts are still owed to the payee.
  - b. Exercise due diligence to locate the apparent owner of individual stale dated checks issued for more than \$50.00.
  - c. Documenting and retaining documents to verify that NMSU's due diligence policies were followed. (Documentation relating to unclaimed property must be retained for 10 years.)
- 3) Proof of due diligence includes:
- ◆ For payroll checks, three separate letters must be mailed to the payee's last known address. If the payee is a current employee of NMSU, the first attempt to contact the payee can be done by email. After the first email attempt, each letter will be sent 30 days apart.
  - ◆ For checks other than payroll, three separate letters must be mailed to the payee's last known address. The first two letters will be sent 60 days apart starting from the date the department is notified that the check has not been cashed. The third letter must be sent not more than 120 days or less than 60 days prior to the date the unclaimed property report is filed with the state, November 1<sup>st</sup> of each year.
  - ◆ If any letter is returned to NMSU as undeliverable and there is no other address available for the payee, the check will be considered unclaimed and no further follow up is necessary. If there is another available address, additional attempts must be made to locate the payee. If during

the process of locating the payee, a more current address is found, Banner will be updated to reflect the current address.

- ◆ NMSU has an additional responsibility to locate payees paid from restricted funds. After two attempts to locate the apparent owner of a stale dated check paid from restricted funds other than payroll, CAR will forward the check information to Sponsored Projects Accounting (SPA.) SPA will then work with the appropriate research center to locate the payee. For payroll checks paid from restricted funds, CAR will forward the check information to SPA at year end.
- 4) If after the third attempt there has been no contact with the payee, the funds are placed in a liability account. The University will hold the funds until state statute requires they be deemed unclaimed property (payroll checks one year, and other checks five years after date of issue). Prior to the funds being unclaimed and transferred to the State of New Mexico, the payee of a stale dated check may submit a “Check Reissue Form” to Cost Accounting and Reporting. After that time, the funds are the property of the State of New Mexico and must be claimed from the State.
- 5) Questions concerning stale dated checks should be directed to the issuing department:  
Accounts Payable: Doris Boteler [dboteler@nmsu.edu](mailto:dboteler@nmsu.edu) (575) 646-1189  
Payroll: Kathy Shreffler [kshreffl@nmsu.edu](mailto:kshreffl@nmsu.edu) (575) 646-8000  
University Accounts Receivable: Wynne Bierck [wbierck@nmsu.edu](mailto:wbierck@nmsu.edu) (575) 646-4911  
Alamogordo: Sandy Dicks [sandyd@nmsua.nmsu.edu](mailto:sandyd@nmsua.nmsu.edu) 575-439-3602  
Carlsbad: Susan Martin [smartin@cavern.nmsu.edu](mailto:smartin@cavern.nmsu.edu) 575-234-9216  
Grants: Gayle Gurule [ggurule@nmsu.edu](mailto:ggurule@nmsu.edu) 505-287-6623

Annual reports of unclaimed property will be submitted to the New Mexico Taxation and Revenue on or before November 1 of each year.

## **OTHER UNCLAIMED PROPERTY**

If a student organization is chartered, CAR will provide the Organizations main address, when sent to the state as unclaimed. If the organization isn't chartered, CAR will submit the available information and it will ultimately revert back to the state. Part of our due diligence process will be to contact the Associate Dean of Students to determine if there is a charter organization that should be listed as owning the funds.