



October 2007

DUE DILIGENCE

A guide to determining the types of unclaimed property you need to track and report.

It is important to try to locate owners prior to reporting their funds to the North Dakota Unclaimed Property Division.

Owner's often become upset when they discover property has been sent to the State if the holder has not made a diligent effort to contact them about their property, especially when their address has not changed.

For items \$50 or greater, the law requires that written notices be sent to the owner's last known address on the holder's records, informing them that there is property being held for them. These letters, often called "due diligence letters," only need to be sent to owners who have valid addresses. They need to be mailed no more than 120 days before the November 1st report due date (May 1st if the holder is a life insurance company), and must allow sufficient time for the owner(s) to respond.

NOTE: Anytime you do mailings, record those accounts that come back undeliverable. This will ultimately eliminate many of the candidates for due diligence notices, as you already know those are invalid addresses.

Samples of due diligence letters follow. (Life insurance holders would need to modify sample dates to accommodate May 1 filing deadline)

Example 1 - Standard Letter

July 1, 20XX

(January 1, 20XX if life insurance company)

Owner Name

1234 Any Road St North
Anytown, ND 99999-9999

We are holding property *in the amount of \$ _____ or described as* to the person listed above. The owner may claim this property by contacting us at the address and/or telephone number listed below.

Holder Name

1st Avenue South
Big City, US 99999-9999
(XXX) XXX-XXXX

We are required by law to turn this money over to the North Dakota Unclaimed Property Division by November 1, 20XX. If satisfactory proof of claim is not presented to our office by October 1, 20XX you must make your claim with the North Dakota Unclaimed Property Division, PO Box 5523, Bismarck, ND 58506-5523 (701-328-2800) after November 1.

Sincerely,

Example 2 - Standard Letter

July 1, 20XX
(January 1, 20XX if life insurance company)

Owner Name
1234 Any Road St North
Anytown, ND 99999-9999

Re: (Property Description or Account No.)

Our records indicate that we are holding property in the amount of \$ _____ owed to the person(s) listed above. The owner may claim this property by contacting us at the address and/or telephone number listed below.

Holder Name
1st Avenue South
Big City, US 99999-9999
(XXX) XXX-XXXX

We are required by law to turn this money over to the North Dakota Unclaimed Property Division by November 1, 20XX. If satisfactory proof of claim is not presented to our office by October 1, 20XX you must make your claim with the North Dakota Unclaimed Property Division, PO Box 5523, Bismarck, ND 58506-5523 (701-328-2800) after November 1.

Sincerely,

(Company's Representative)

PLEASE SIGN BELOW TO ACKNOWLEDGE OWNERSHIP OF THE ABOVE LISTED FUNDS

Printed Owner Name

Owner Signature

Action to be taken: (PLEASE CHECK ONE)

- Reissue Check (original is / is not enclosed)
- Update Account
- Close Account
- Other (explain)

Example 3 - Letter for Financial Institutions

July 1, 20XX
(January 1, 20XX if life insurance company)

Owner Name

1234 Any Road St North
Anytown, ND 99999-9999

The North Dakota Uniform Unclaimed Property Act (NDCC 47-30.1) requires financial institutions to keep track of **owner-initiated** account activity (not including "automatic" activity such as dividend accruals or bill payment).

If records show no owner-initiated activity for time period specified in law (variable depending on the type of account), and there are not other active accounts in the owner's name, the institution must prove attempted contact with the owner. If no response is received, the law requires that the account be closed, and that the property be sent to the North Dakota Unclaimed Property Office.

You are receiving this letter because your account is currently considered "inactive". We encourage you to reactivate your account, and avoid any dormancy handling fees by indicating an activity preference below and sending this form back to us by (DATE).

If we do not hear from you by (DATE), the remaining account balance will be transferred to the North Dakota Unclaimed Property Division and a claim for the account will need to be made by contacting their office at PO Box 5523, Bismarck, ND 58506-5523 (701-328-2800) after November 1, 20XX.

_____ **I do not wish to make any transactions at this time,
but request re-activation of my account(s).**

_____ **I have enclosed a deposit of \$ _____.**

Signature: _____

Social Security #: _____

Address: _____

Date: _____

Please return this letter to:

Name, Address and Phone Number of Your Business

Example 4 - Letter for Uncashed Checks

July 1, 20XX
(January 1, 20XX if life insurance company)

Owner Name

1234 Any Road St North
Anytown, ND 99999-9999

The North Dakota Uniform Unclaimed Property Act (NDCC 47-30.1) requires business owners to keep track of checks they have written to employees and vendors which have not been cashed for more than 2 years.

You are receiving this letter because our office issued check number _____ for \$ _____ to you on (DATE) which has never cleared our account.

If you are in possession of this check, we would encourage you to cash it at this time. If you no longer have this check or are unable to deposit this check and want to request a replacement, please sign and return this letter to our office by (DATE).

If we do not hear from you by (DATE), the funds to cover this check will be transferred to the North Dakota Unclaimed Property Division and a claim for the money will need to be made directly with their office at PO Box 5523, Bismarck, ND 58506-5523 (701-328-2800) after November 1, 20XX.

I would like to request a replacement check for the above-referenced fund.

Signature: _____

Address: _____

Date: _____

Please return this letter to:

Name, Address and Phone Number of Your Business



Comments and questions should be addressed to ND State Land Department, Unclaimed Property Division, P. O. Box 5523, Bismarck, ND 58506-5523. You may also call us at (701) 328-2800 or visit our web site at www.land.state.nd.us .