



HOLDER FAQs

1. What is the NC Cash Program?

North Carolina's NC Cash Program carries out three important missions of the Unclaimed Property Division of the Department of State Treasurer:

- (1) Returning unclaimed property to rightful owners;
- (2) Ensuring that companies and individuals conducting business in North Carolina are in compliance with Unclaimed Property Laws;
- (3) Remitting the earnings of the Unclaimed Property Fund, or the Escheats Fund, to the North Carolina State Education Assistance Authority (NCSEAA) which provides loans and grants to worthy and needy North Carolina students attending state-supported colleges and universities.

2. What is unclaimed property?

Unclaimed property consists of tangible and intangible property, such as bank accounts, wages, refunds, utility deposits, insurance policy proceeds, stocks, bonds, contents of safe deposit boxes, etc. that have been abandoned. By law, the property is considered abandoned or unclaimed when there has been no documented transaction or contact with the owner for a period of time known as a "dormancy period". There are over 100 types of property which may become unclaimed. The term property is described in North Carolina General Statute 116B-52(11), and there is a detailed listing on reporting form ASD-159.

3. What is an escheat and what is the Escheats Fund?

An escheat is the transfer of abandoned property to the custody of the state. It was commonly associated with properties from an estate of a person who died without a will or known heirs. However, the concept has evolved over the years to include property not claimed by its rightful owner or returned to its rightful owner. The terms escheat and unclaimed property are now used interchangeably. The Escheats Fund is the depository which holds unclaimed property remitted to the state. North Carolina's NC Cash Program helps businesses report their unclaimed property and helps reunite rightful owners with their unclaimed property.

4. Who is a holder?

Any business entity in possession of property is a potential holder. This includes, but is not limited to:

- banks, insurance companies, utilities, corporations, partnerships, LLCs, sole-proprietorships; government agencies and not-for-profit organizations;
- Estates and trusts;
- Fraternal or cooperative associations in possession of property belonging to another.

5. How long is a dormancy period?

A dormancy period can be between one and 15 years depending on the property type.

- Utility deposits and refunds, wages and government obligations have a one-year dormancy period.
- Securities, retail related properties, tax deferred compensation and retirement account properties have a three-year dormancy period.
- Accounts payable and most other general obligations have a five-year dormancy period.

Dormancy periods are discussed in North Carolina General Statute 116B-53(c), and are listed on reporting form ASD-159.

6. As a holder, what are my reporting obligations under North Carolina Unclaimed Property Laws? North Carolina’s Unclaimed Property Law requires all companies and institutions operating in the State to examine their books and other accounting records at the close of each fiscal year for non-life insurance companies (June 30) and calendar year (December 31) for life insurance companies to determine whether they are in possession of dormant unclaimed property. If so, the holder must first perform “due diligence”. Due diligence is a process that involves an attempt to locate rightful owners prior to escheatment. If the holder is unsuccessful in locating the owners, the holder is required to remit the property, along with a report, to the Department of State Treasurer. For instructions of how to report unclaimed property, please visit the [Holder Reporting](#) section of our website.

7. As a holder, what are my obligations to notify owners of their property (due diligence)?

For property that is a security, or other equity interest in a business association having a property value of \$25 or more and all other property types having a property value of \$50 or more, the law requires a holder to send a written notice to an owner, at the owner’s last known address according to the records of the holder.

North Carolina General Statute 116B-59(b) requires that you mail notices not more than 120 or less than 60 days from the reporting due date.

Holders who fail to perform due diligence or who fail to report and remit unclaimed property may be subject to penalties and interest as outlined in North Carolina General Statute §116B-77.

8. How do I report unclaimed property?

For holders reporting 50 or more owners, reports must be filed electronically in a format prescribed by the Treasurer. For owners reporting fewer than 50 owners, reports may be filed electronically or in paper format. If filing in paper format, cash properties are filed using Form ASD-21 and tangible property using Form 127. In addition to the appropriate filing form, an Unclaimed Property Verification Form (ASD-159) must accompany all filings.

The NC Cash Program section of our website provides the resources needed to understand filing requirements and to file [Holder Reports](#). In addition, you can contact the Unclaimed Property Division at upreports@nctreasurer.com for assistance with Holder Reporting.

9. When a property is considered unclaimed or abandoned and subject to North Carolina’s Unclaimed Property Laws?

Property is considered unclaimed or abandoned when:

- The property is held, issued, or owing by a holder; and

- The identity, status or present location of the apparent owner is unknown; and
- The required dormancy period for the property type(s) has been reached.

10. If my business is located in North Carolina, are all my dormant unclaimed properties reportable to North Carolina?

Unclaimed property is reportable to North Carolina if it is established:

- The last known address of the apparent owner is a North Carolina address;
- The identity and/or last known address of the apparent owner is unknown, and the owner is domiciled in North Carolina; or
- The last known address of the apparent owner is in a foreign country, and the holder is domiciled in North Carolina.

11. Are all amounts reportable to North Carolina?

Yes, all amounts are reportable. However, holders may report similar property valued at less than \$50 in aggregate. In addition, if your intangible property total is less than \$250, you may wait and report in the year in which your cumulative unclaimed property total does reach \$250.

12. Do holders have to report unclaimed property to other states?

Yes. Any unclaimed property on a holder’s general ledger that is not reportable subject to North Carolina jurisdiction is reportable to other states. Contact the compliance staff of the state to which the property is likely reportable for further guidance and information concerning that state’s unclaimed property laws. NOTE: All property due to California MUST be reported to California.

13. What are the filing deadlines in North Carolina?

All holders, except life insurance companies, must file their unclaimed property reports by November 1 of each year for the prior fiscal year (July 1 – June 30). Life insurance companies must file by May 1 each year for the prior calendar year. Report conversion tables are available in the [Forms and Guides](#) section of our website.

14. What happens if a holder fails to report its Unclaimed Property?

A holder who fails to report, pay or deliver property within the time prescribed by law, or fails to perform duties required by law, such as due diligence, will be subject to all penalties under North Carolina General Statute 116B-77. This includes a daily interest penalty, a \$1000 civil penalty each day the report is held, plus 25 percent of the value of any property that should be reported.

15. If I have no dormant unclaimed property on my books, am I required to file a “Negative Report”?

No, you are not required to file a Negative Report if you have no unclaimed property to report. However, holders must be mindful that the absence of a filed report (negative or positive) leaves a “hole” in their filing history. If during subsequent reviews, unclaimed property is found to have been reportable during that period, the five-year statute of limitations provisions would not apply to that period.

16. Can I file and report Unclaimed Property early – before it has reached its dormancy period?

With written consent of the State Treasurer (or the State Treasurer’s designee), a holder may report and remit property before it is presumed abandoned. All such requests must be submitted in writing. Only upon receipt of the State Treasurer’s written notice of authorization may a holder file early.

17. What do I do if an owner requests payment of funds which have already been reported to the Department of State Treasurer as unclaimed?

You can choose to file for a refund using the [Holder Reimbursement Request](#)

18. I have securities to report. What forms must I file to report this property?

Electronic Reports are preferred. Please see [Instructions for Reporting Securities](#) for complete instructions.

19. How do I handle the transfer of reported securities?

To ensure securities are properly reported, registered, and delivered, refer to the [Instructions for Reporting Securities](#).

20. Can third parties file on behalf of their clients?

Yes. However, Form ASD-159 or the electronic reporting software equivalent must be signed by a duly authorized officer.

21. Can I request a filing extension?

Holders unable to submit their reports by the filing due date may request a filing extension by submitting a [Holder Extension Request](#) form. Such requests are only for good cause.

22. What are my payment options?

The Unclaimed Property Division accepts payment via check, ACH (automated clearing house), and wire transmittal. All remittances by check should be made payable to the North Carolina Department of State Treasurer.

23. Where do I mail my holder report and my check?

Mail your completed report, owner detail and check to:

State of North Carolina
Department of State Treasurer
Unclaimed Property Program
3200 Atlantic Avenue
Raleigh, NC 27604-1668

24. How can I submit my report electronically?

Holders who wish to submit their reports electronically may do so using [UP Express](#). This electronic file submission is **free**. Holders only need to submit a copy of the ASD-159 (Unclaimed Property Verification), or its equivalent, submitted in paper format along with a check or copy of wire/ACH transmittal.

25. After filing a report, how long must I retain supporting work papers, owner notices, or other related accounting records and documentation?

The Regulatory Reform Act of 2012 (Senate Bill 810) was signed into law on July 16, 2012. This bill shortens the record retention period from 10 years to five years. Therefore, for reports filed after July 16, 2012, the holder must retain the supporting documentation for five years after filing the report. The supporting documentation should date back to the beginning of the dormancy period for each property type, and at a minimum for five years in accordance with the five year catch-all dormancy period.

26. What is the Voluntary Disclosure Program (VDP)?

The Voluntary Disclosure Program (VDP) is a program designed by the Unclaimed Property Division to encourage holders to voluntarily become compliant with unclaimed property reporting requirements. The program allows participants to remit past due unclaimed property without paying interest and penalties.

27. What are the benefits of participating in the Voluntary Disclosure Program (VDP)?

Participants in the Voluntary Disclosure Program are eligible for the waiver of interest and penalties, usually charged on past due properties.

28. Who is eligible to participate in the VDP?

Any company, organization, or entity in possession of past due unclaimed properties reportable to North Carolina, that is not currently under audit by the Unclaimed Property Division or one of our Audit Vendors is eligible to participate in the VDP. Holders currently under audit or that have been notified of an upcoming audit by the Unclaimed Property Division or one of our Audit Vendors may not be eligible to participate in the VDP.

29. How do I participate in the VDP?

Send an email with your contact information to:

voluntarydisclosureprogram@nctreasurer.com. A member of the Compliance and Audit section will contact you with more information.

30. How much time do I have to complete my self-review and file unclaimed property reports?

After the Holder has verified they are not currently under audit by UPD or an agent of UPD, an opening conference is held with the Holder to determine the appropriate documents to send to the Holder. The Holder will have 90 days to complete and return their documentation to the Unclaimed Property Division for consideration of participation in the VDP. After the Holder's documentation has been reviewed and they are approved to complete the VDP, the Holder has 90 days to:

1. Perform due diligence in accordance with NCGS § 116B-59
2. File Annual Report(s) for each report year past-due unclaimed property is found, within ninety (90) days of the VDA approval date (date signed by UPD).
3. Submit the full payment of past due unclaimed property.

31. What is the lookback period?

The lookback period is ten years plus the dormancy period.

32. Once I am done with my self-review, should I report the unclaimed property identified or will the Unclaimed Property Division have to review my findings before any report is submitted?

Once the self-review is done, the Holder will send the self-review to the Compliance Auditor who will then evaluate the self-review and make a recommendation to the Audit Manager. If the Compliance Auditor agrees with the Holder's self-review, the Holder will perform due diligence and submit the reports to the State of North Carolina - Unclaimed Property Division.

33. Can I request an extension to do my self-review and/or to submit the reports?

Yes, an extension can be requested. However, extensions will only be granted for good cause.

34. Does participation in the VDP increase my chances of being audited?

No participation itself will not increase your chances of being audited. There are multiple factors used in identifying audit candidates, including but not limited to; reporting history, presence of facilities in North Carolina and number of employees.

35. Does participation in the VDP protect me from being audited in the future?

The Unclaimed Property Division reserves the right to audit the results of the VDP for one year after the program requirements have been met.

36. Where can I find out more information about the Voluntary Disclosure Program (VDP)?

Visit our website at: nccash.com/reporting.

37. Who do I contact if I have more questions?

Direct all additional reporting and filing inquiries to the North Carolina Unclaimed Property compliance staff. The compliance staff can be reached at unclaimed.property@nctreasurer.com or by calling 919-814-4200 and selecting Option 3.

38. Can I deduct amounts from property presumed abandoned?

A holder may deduct from property presumed abandoned a reasonable charge for an owner's failure to claim property within a specified time period ONLY IF there is a valid and enforceable written contract providing for such charge between the two parties, and it is regularly imposed and not regularly reversed or cancelled. A holder may also deduct from property presumed abandoned other lawful charges specifically authorized by statute or by a valid and enforceable contract. Applicable deductions codes may be found in the [NC Electronic File Format](#) document located on the website.

39. Do I have to report Bitcoin?

The Division is not accepting cryptocurrency at this time.

40. When will the Division start accepting Bitcoin?

Any changes to the Division's acceptance policy for cryptocurrency will be placed on the Division's website. Please check the website for updates.

41. What do I do with my Bitcoin until the Division starts accepting it? What if there are losses or gains in the Bitcoin while I'm holding it and waiting for the Division to accept the Bitcoin?

At this time, the Division cannot provide you with advice on what to do with the cryptocurrency in your possession. However, any changes and related instructions in the Division's acceptance will be placed on the Division's website.