



**ENTERPRISE
PAYMENTS**

SERIES

A Complimentary Virtual Event for Payments Professionals

Payments Policies and Escheatment: Making Critical Updates

Barbara Carpenter

A/R Consultant

Motion & Control Enterprises (MCE)

Sponsored by



Agenda

- **Why payments policies need updating**
- **Unclaimed property basics**
- **Managing uncashed checks**
- **Due diligence, reporting, and remittance**
- **Working with state agencies**
- **Key takeaways**

Why This Topic Matters

- **Growing transaction volumes**
- **Evolving state regulations**
- **Increased audits and enforcement**
- **Financial, operational, and reputational risk**

Key Message: Escheatment compliance starts with strong payment policies.

What Is Unclaimed Property?

- **Financial assets with no owner activity**

Can be described as the actual asset itself that belongs to someone else but hasn't been claimed or cashed. The property still belongs to the owner (customer, vendor, employee), not the company and not the state.

Common examples:

- **Uncashed checks**
- **Vendor payments**
- **Customer refunds**
- **Payroll checks**
- **Credits and rebates**

- Checking or Savings Accounts
- Stocks
- Uncashed Dividends or Payroll Checks
- Refunds
- Traveler's Checks
- Trust Distributions
- Unredeemed Money Orders or Gift Certificates (in some states)
- Certificates of Deposit
- Customer Overpayments
- Utility Security Deposits
- Contents of Safe Deposit Boxes
- Insurance Payments or Refunds and Life Insurance Policies
- Annuities

- **Governed by state law**

What Is Escheatment?

- **Legal transfer of unclaimed property to the state**
- **Occurs after a dormancy period**
- **State holds property on behalf of the owner**

Learning Objective 1

Identify key factors required for updating a payments policy

Key Factors in a Payments Policy

- **Types of payments issued**
- **Payment methods (check, ACH, virtual card)**
- **Void and reissue practices**
- **Monitoring and aging controls**
- **Ownership and responsibility**
- **Escheatment compliance alignment**

Common Policy Gaps

- **No definition of “outstanding” payments**
- **Inconsistent follow-up timelines**
- **Manual or fragmented tracking**
- **Unclear ownership across departments**

Best Practices for Policy Updates

- **Document end-to-end processes**
- **Align with current state laws**
- **Define roles and escalation paths**
- **Review and update annually**
- **Embed compliance into operations**

Learning Objective 2

**Follow a process to research, document,
and resolve uncashed checks**

Why Checks Go Uncashed?

- **Incorrect payee or address**
- **Vendor or customer inactivity**
- **Address changes**
- **Deceased owners**
- **Internal errors**

Uncashed Check Process

1. Identify outstanding items
2. Research ownership
3. Attempt resolution
4. Perform due diligence
5. Report and remit if unresolved

Research & Documentation

- **Review source systems**
- **Validate owner information**
- **Document outreach attempts**
- **Maintain audit-ready records**

Due Diligence Requirements

- **Owner notification before escheatment**
- **Timing varies by state (typically 60–120 days)**
- **Written notice with required details**

Learning Objective 3

Coordinate with state agencies to report and remit unclaimed property

Reporting & Remittance Overview

- **Annual reporting cycles**
- **Report by owner's last known address**
- **State-specific formats and portals**
- **Timely remittance required**

Working with State Agencies

- **Monitor rule changes**
- **Understand filing portals**
- **Respond promptly to inquiries**
- **Maintain consistent communication**

Audit & Enforcement Risks

- **Interest and penalties**
- **Long look-back periods**
- **Extrapolated assessments**
- **Reputational impact**

Key Takeaways:

- **Updated payment policies reduce risk**
- **Structured processes improve compliance**
- **Documentation and due diligence are critical**
- **Proactive state coordination matters**

Next Steps:

- **Review and update payment policies**
- **Inventory outstanding payment types**
- **Standardize uncashed check workflows**
- **Create an annual compliance calendar**
- **Assign clear ownership**

AFP

**ENTERPRISE
PAYMENTS**

SERIES

A Complimentary Virtual Event for Payments Professionals



Barbara Carpenter

[linkedin.com/in/barbara-carpenter-4749b26](https://www.linkedin.com/in/barbara-carpenter-4749b26)

Sponsored by

