

City of Piedmont
COUNCIL AGENDA REPORT

DATE: March 18, 2013

FROM: Stacy Thorn, Administrative Services Technician II

SUBJECT: Adoption of an Escheatment Policy for Unclaimed Money

RECOMMENDATION

Adopt a Resolution approving an Escheatment Policy regarding the handling of unclaimed checks.

BACKGROUND

Each year the City accumulates a small amount of outstanding checks that remain unclaimed, even though attempts are made to contact the payees and reissue the checks. Normally these unclaimed funds consist of checks issued through Accounts Payable or Payroll. State law allows for uncashed checks which are more than one year old and less than \$15.00, or greater than \$15.00 and more than three years old, to become the property of the City following publication on its website or in the local newspaper.

Staff proposes that the City Council adopt a formal policy regarding the proper handling of unclaimed money that follows the requirements of Government Code Section 50050-50056. Adoption of this policy will set up a procedure to escheat these funds to the City after proper notice has been satisfied. The attached resolution and policy were developed and approved by the City Attorney.

Attachments

1. Resolution Approving an Escheatment Policy for the City of Piedmont
2. City of Piedmont Escheatment Policy for Unclaimed Money (including Exhibits)

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PIEDMONT APPROVING
CITY OF PIEDMONT ESCHEATMENT POLICY FOR UNCLAIMED MONEY**

WHEREAS, from time to time checks issued by the City will remain uncashed despite efforts made by City staff to make contact with the payees and reissue the checks; and

WHEREAS, Sections 50050-50056 of the Government Code of the State of California provide procedures for escheating uncashed checks to the local agency if over one year old and less than \$15.00, or over three years old and more than \$15.00, following publication on the city website or in the local newspaper; and

WHEREAS, the City Council desires to adopt a Policy for the handling of uncashed checks in accordance with Sections 50050-50056 of the Government Code of the State of California.

NOW THEREFORE BE IT RESOLVED by the City Council of Piedmont, that the City of Piedmont Escheatment Policy for Unclaimed Money incorporated herein as Exhibit A is hereby approved by the City Council.

Exhibit A

**CITY OF PIEDMONT ESCHEATMENT POLICY
FOR UNCLAIMED MONEY**

This Policy is established to provide for the escheatment of unclaimed money, including unclaimed checks, to the City of Piedmont, consistent with the provisions of Government Code Sections 50050 through 50056. In the event of any conflict between the provisions of the Government Code and the provisions of this Policy, the provisions of the Government Code shall prevail.

- A. Money that is not the property of the City of Piedmont that remains unclaimed for a period of more than three (3) years shall become the property of the City of Piedmont forty-five (45) days after publication of the notice described in Paragraph C. below. (Government Code Sections 50050 and 50051)
- B. At any time following the expiration of the three (3) year period described in Paragraph A. above, the Finance Director of the City of Piedmont may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the city of Piedmont, or on its website. (Government Code Section 50050)
- C. The notice shall include the following information:
 - 1. The individual or business name as shown on the issued check.
 - 2. The amount of the issued check.
 - 3. The fund in which it is held.
 - 4. A statement announcing that the money shall become the property of the City of Piedmont on the date that is forty-five (45) days after the publication of the notice. (Government Code Section 50051)

A model template for the notice is attached as Exhibit I.

- D. A party of interest may file a claim at any time until the date on which the money becomes the property of the City as provided in Paragraph A. above. The claim form must include the following information:
 - 1. The claimant's name, address, telephone number, and Social Security Number or Federal Employer Identification Number.
 - 2. Proof of identity such as a copy of a driver's license, social security card or birth certificate.
 - 3. Amount of the claim.
 - 4. The grounds on which the claim is founded. (Government Code Section 50052)

A model template for the claim form is attached as Exhibit II.

- E. Upon receipt of the information and documents described in Paragraph D. above prior to the date the unclaimed money becomes the property of the City, the Finance Director may release the money (by issuance of a new check, for example) to the depositor, or heir, beneficiary, or duly appointed representative. (Government Code Section 50052.5)

- F. Upon rejection of a claim by the Finance Director, a claimant may file a verified complaint seeking to recover all, or a designated part, of the money in Alameda County Superior Court. A model template for the claim rejection form is attached as Exhibit III. The complaint and summons must be served on the Finance Director within thirty (30) days of claimant receiving notice that the claim was rejected. The Finance Director shall withhold the release of the portion of unclaimed money for which a court action has been filed until a decision is rendered by the court. (Government Code Section 50052)

- G. Unless otherwise required by law (e.g., where the claimant has served the Finance Director with a timely complaint as described in Paragraph F above), upon unclaimed money becoming the property of the City of Piedmont, to the extent such money is held in a special fund, the City Council may transfer it by resolution to the General Fund. (Government Code Section 50053)

- H. Any individual item of less than fifteen (\$15.00) dollars or any amount, if the depositor's name is unknown, which remains unclaimed for a period of one (1) year may be transferred to the General Fund by the City Council without the necessity of public notification in a newspaper or city website. (Government Code Section 50055)

- I. The responsibilities of the Finance Director may be delegated by the Finance Director to the department that maintains the supporting records of the uncleared checks based on the initial receipt or deposit of that money or both. (Government Code Section 50056)

Exhibit I

Public Notice

CITY OF PIEDMONT
PUBLIC NOTICE

The following list of disbursements are unclaimed by the listed payees and held by the City of Piedmont. If you have a claim against these funds, please contact the Finance Department, 120 Vista Avenue, Piedmont, CA 94611, phone (510) 420-3047. Proper proof of claim and current identification must be provided before funds will be released. Funds not claimed by _____ become the property of the City of Piedmont. This notice and its contents are in accordance with California Government Code Section 50050.

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Payee</u>
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Finance Director

Exhibit II

Claim Form

CITY OF PIEDMONT
UNCLAIMED MONEY – CLAIM FORM

Return completed form to:
City of Piedmont
Finance Department
120 Vista Avenue
Piedmont, CA 94611

Pursuant to California Government Code Section 50052, I wish to file a claim for a previously unclaimed check in the amount of \$_____. The grounds on which I file this claim are:

_____.

Vendor or Individual Name (Printed)

Taxpayer I.D. or Social Security No.

Vendor or Individual Name (Signature)

Telephone Number

Address

City / State / Zip Code

For Finance Department Only

Proof of Identity Verified: Check One:
____ Driver's License ____ Social Security Card ____ Birth Certificate

Verified by: _____ Date: _____

Claim: ____ Approved ____ Rejected Reason for Rejection: _____

Reviewed by: _____ Date: _____

Exhibit III

Claim Rejection Form

**CITY OF PIEDMONT
MONEY CLAIM REJECTION FORM**

The City of Piedmont has rejected the unclaimed property claim of:

Vendor or Individual Name:

Taxpayer I.D. or Social Security Number:

Address:

City / State / Zip Code:

Original Check Date:

Original Check Amount:

The grounds on which this claim has been rejected are:

Under California Government Code Section 50052, you have the right to file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction within Alameda County. A copy of the complaint and the summons issued thereon must be served within thirty (30) days of receiving this notice of rejection. Upon being served, the Finance Director will withhold the disputed amount from being released until a decision is rendered by the court.

Finance Director