

## Catching UP with Policies & Procedures

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Representing State Governments That Actively Find Owners  
While Protecting Forgotten Funds Until Claimed

Does your organization have  
documented unclaimed property  
policies & procedures?

## Agenda

It Depends...	Nuts & Bolts
Need & Value	Testing & Updating
Internal Control	Cycle Review
Fraud	Resources
Starting Point	
Flowchart	
Protocol	



## It Depends...

- Centralized vs. Decentralized
- National vs. Regional
- Large vs. Small
- Single Holder vs. Multiple Holders
  - Same State of Incorporation vs. Multiple
- Industry



## Need & Value

- Document Process
  - Define Roles, Responsibilities, & Expectations
  - Internal Reference & Cross Training
  - Audit



## Need & Value

- Internal Controls
  - Adequate in design & followed
  - Fraud & error prevention
- Approvals



## Internal Control

- Risks
  - Strategic
  - Regulatory/Compliance
  - Operational
  - Financial
  - Reputational



## Internal Control

- Internal Control- broadly defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - Effectiveness and efficiency of operations;
  - Reliability of financial reporting; and
  - Compliance with laws and regulations.



## Internal Control

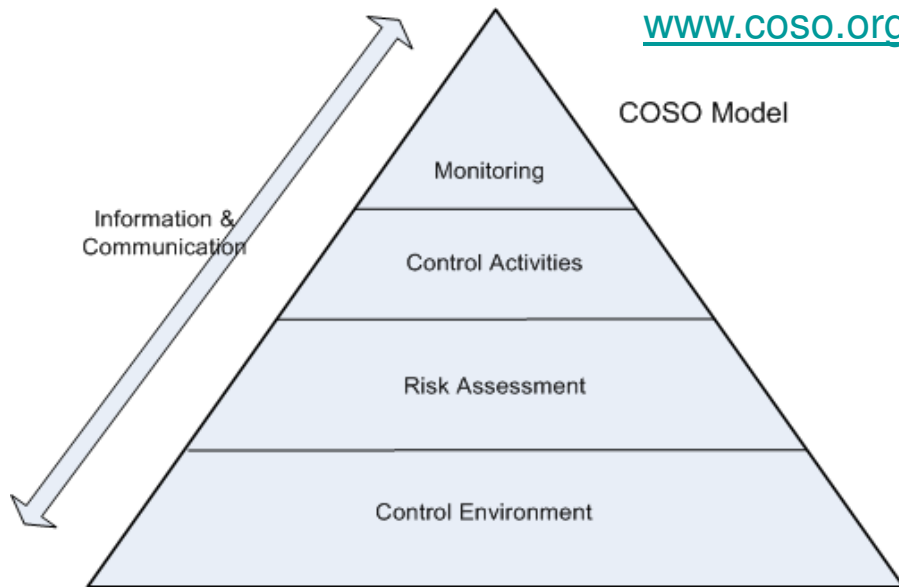
- Acronym- CARES
  - Compliance
  - Accomplish
  - Relevant & Reliable
  - Effective & Efficient
  - Safeguard Assets



## Internal Controls

- Policies & Procedures
  - Adequate & Followed
- COSO
  - The Committee of Sponsoring Organizations of the Treadway Commission
    1. AAA
    2. AICPA
    3. FEI
    4. IIA
    5. NAA/IMA





COSO Model

## Fraud (& Errors)

- Controls Provide Reasonable Assurance
  - Directive
  - Preventive
  - Detective
- Separation of duties
  - Collusion
  - Random review & testing
  - Other strategies
- Subverted Controls

## Starting Point

- Do you have written procedures?
- Do you have a process?
- Strategies
  - Flowchart
  - Protocol
- Internal & External Resources



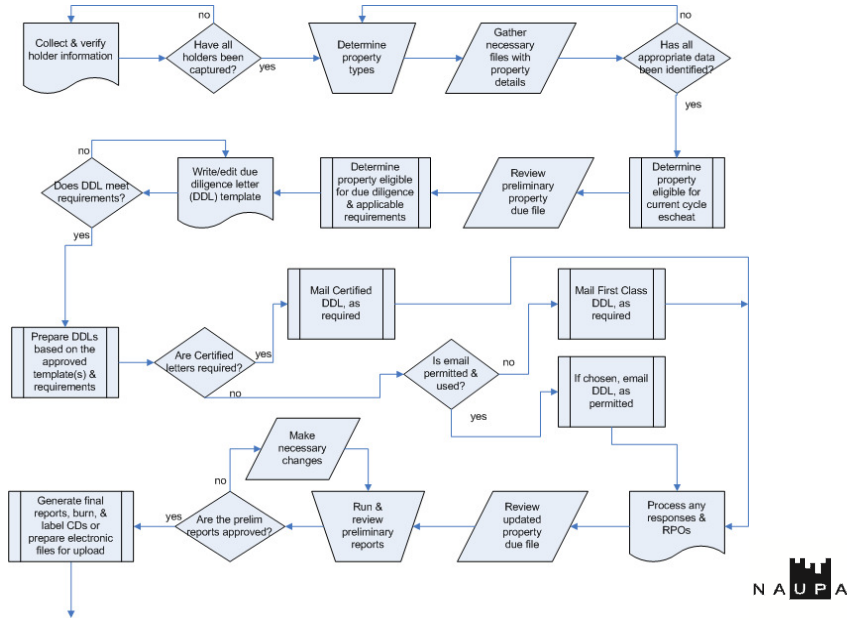
## Flowchart

- Useful Tool
  - Identify steps
  - Identify current control points
  - Identify weaknesses or gaps
- It Depends...
  - Really manifests itself

*Please refer to handout for full size version*



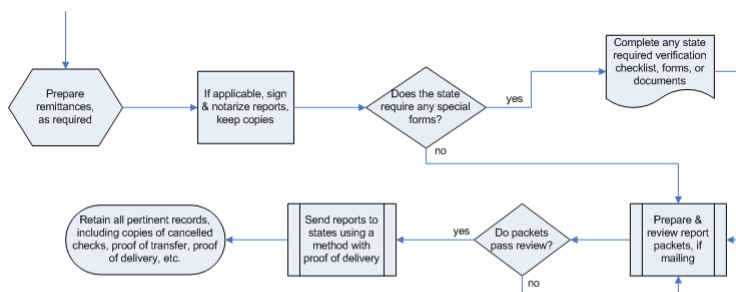
## National Association of Unclaimed Property Administrators



2012 National Holder Workshop



## National Association of Unclaimed Property Administrators



### Unclaimed Property Reporting Flowchart- SAMPLE

Last updated 5/07/2012  
 Prepared for NAUPA 2012 - Catching UP with Policies & Procedures  
 Prepared by Christa DeOliveira, StoneRiver, Compliance Officer



2012 National Holder Workshop



# Protocol

- Procedure Template
  - Is there a standard protocol or template?
  - Can you refer to other policies & procedures?
  - Screenshots



# Protocol

- Corresponding Documentation
  - Appendix
  - Matrices
    - Cutoff & Filing Dates, Due Diligence, Dormancy Periods, Negative Reporting Requirements, Aggregate Threshold, Due Diligence Parameters, Record Retention Requirements, etc.
  - Checklists
    - Data Gathering, Signoff, Report Packet Contents, etc.



**NAME OF POLICY & PROCEDURE**

Prepared By: Author(s)  
Approved By: Approver(s)

Revision Date: Date completed  
Effective Date: Date effective

PURPOSE (*Describe the purpose of the procedures- for example*)

The Unclaimed Property Reporting Process is designed for ABC Company to identify, capture, report, and remit all due unclaimed property liabilities, where we have been unsuccessful in reuniting the property with its apparent owner. We strive to ensure that all property is identified and the reporting process adheres to the respective presiding jurisdictions' laws, regulations, administrative procedure, etc.

SCOPE (*Describe the scope of the policy and procedure- for example*)

The Unclaimed Property Reporting Process applies to outstanding liabilities that are fixed and certain, where the apparent owner has not asserted a claim or performed a transaction for the statutorily defined dormancy period.]

(Proceed with Documenting Policies & Procedures)

*Please refer to handout for full size version*



# Nuts & Bolts

- Processes
- Definitions
- Assign Roles
- Duties/Responsibilities



## Testing & Updating

- “Dumb Monkey Test”
- Update
  - Pertinent changes
  - Review, at least annually
  - Version control



## Cycle Review

- Unclaimed Property Committee
  - Key Processes
  - Key Departments
  - Key Individuals
- Recurring Periodic Training



## Resources

- Unclaimed Property Professionals Organization (UPPO)
  - [www.uppo.org](http://www.uppo.org)
  - Holders Seminar, Seattle, July 16-17, 2012
  - Annual Conference, San Diego, March 24-27, 2013



## Resources

- National Association of Unclaimed Property Administrators NAUPA
  - [www.naupa.org](http://www.naupa.org)
  - Information to be posted
- Committee of Sponsoring Organizations of the Treadway Commission (COSO)
  - [www.coso.org](http://www.coso.org)



## Resources

- Public Universities published policies and procedures
  - Internet search for “unclaimed property policies and procedures
- Internal Resources
  - Internal Audit, Compliance, or Risk Management
  - Internal protocols, practices, policies, & procedures



## Resources

- *Accounting Errors Disguised as Unclaimed Property* by Christa DeOliveira
  - <http://www.stoneriver.com/content/accounting-errors-disguised-unclaimed-property>



## Questions



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