

EXAMPLE OF ESCHEAT POLICY FOR FINANCIAL INSTITUTION

Procedures for Dormant Account Processing

1. On June 30 of each year, send an email to request the Data Center run report MSR930. Prior to running the report we need to run the Miser BI report for Mastercards. This report will export the information for all our credit cards to compare to MSR930 and remove accounts with credit cards that appear to be dormant. You will need to prepare new cards for each state. They have to run different programs as follows TX, CA, OR and XX. These reports should cover the current dormancy period.
2. We will receive the following reports from the Data Center TX, CA, OR and XX which funds are due by November 1. Dormant accounts for deceased members will have a lockout, please remove lockout otherwise the accounts will not close. Take a status review and research as many accounts as possible; especially the accounts which do not have an address in the State of Texas, accounts with large balances, IRA's and certificate of deposit accounts will have priority in the research process. When reviewing the reports, ignore the accounts with a lockout 10 or 23, these are lockouts from Recovery Services and they will work on those accounts. A copy of the Due Diligence report is given to Loan Services. If an account has an ACH credit you can update the dormant date. If it's an ACH debit do not update dormant date. (Traditional IRA's have a dormant period of 3 years after member attains the age of 70 ½ years) If a member has a share account with \$20.00 and the IRA will be dormant for several years it is ok to leave that share account open per Elaine Walker at the State Comptrollers office. If the balance in the share is substantially large, we will need to close it and leave the IRA open until it becomes dormant. Roth IRA's do not have a dormancy period.
3. MSR930 will generate a letter on the initial run to mail to all members. This letter will have the dormancy period for each state. We will receive these letters along with the reports. Call Procurement give them the count on how many letters will be mailed inform them we need #10 window envelopes and postage paid return envelopes attention Special Services enclosed with each letter. They will call Go Direct to pick up the letters, envelopes and self-addressed post age paid envelopes to mail with each letter.
4. The data center will run a report created to search for MasterCard's on accounts that are dormant. The report will create a report called Excluded Accounts which will list all the MC's that are tied to dormant accounts. A letter will still be generated for all these accounts. The accounts with a MasterCard will not close when we run the final report.
5. To check the dorm date and status on an account, inquire on screen 507, field 16 dorm date and field 47 dorm flag, these fields will tell you if an account is dormant. To update an account when a member calls, you receive letter or member is in our office and is not making a deposit or withdrawal to the account, you will use Miser transaction (30) Update Cust Contact. This

screen will update both fields 16 & 47. Take a customer profile on account to make sure you are updating all accounts. The employees in Special Services Department are the only one's authorized to use this transaction.

6. Research will also include dormant [company name] official checks. These checks are considered to be dormant after a period of three years. Safe Deposit Department will get us a list of these checks. A card will need to be prepared for each check to give to the data center. The data center will input the information so these checks appear on MSR930. When listing the address if you have it for the payee, the report will only list TX as the state it will not list the other states. This needs to be done by the run in September for MSR930. All [company name] official checks will be sent to the State of Texas.
7. We will also need to check with Safe Deposit to see if we have any safe deposit boxes that are dormant. Since Form 53-105 is due by November 1st, you can ask them for this information when you get the dormant cashier checks from them. These boxes are considered to be dormant after a 5 year period for the State of Texas. The dormant period on Safe Deposit Boxes changes from state to state. Form 53-105 will need to be completed with box owner information and box number. At a later date the State of Texas will request the contents be mailed. If a box is in another state follow that states procedure.
8. Do not run final until all checks are in balance if any checks are paid prior to final run, a new card needs to be submitted to remove each check. Take a history of GL # to see if we are in balance.
9. Once research is complete, a new card will be turned in to the Data Center for a final run of MSR930. Final run should be requested at least 10 days prior to the deadline November 1st.of each year. The final run will close all accounts for all the states except California and deposit money to GL # . The data center will identify the G.L. in the altin. The money for the [company name] official checks will need to be debited manually from GL#2307009990 and deposited to GL # . Accounts payable needs to be notified when we are ready to debit GL# .
10. Data Center will call once reports are ready to be picked up to review and balance GL with reports. Data Center will also give us a report called MSR930 Exclusion. Each run will have one of these reports. TX, CA, OR and XX. The total on the summary page will not be accurate until adjustments are made from either MSR930 closing changes or exclusion report. The MSR930 closing changes report has several reports within that report look at the total for each state to make sure accounts did not kick out due to lockouts or the amount did not change due to interest and penalties.
11. If GL is out of balance, you will need to pull MSD001 with teller number 9923 to see which accounts did not close due to close to post lockout. You will review the accounts to make sure they needed to be closed, if they do, you will close them manually. These accounts will appear on the report as closed, but the money will not be in the GL due to the lockout.

- 12.** A disk will need to be prepared for the State of Texas on final run of MSR930 for remittance using NAUPA format. We will complete the necessary forms for all the states we are remitting funds and we may need to request a CD for each state, this will all depend on how many accounts we are reporting for that state. Once all the money is in GL# call Accounting to unlock GL and cut checks for each state. The deposit for Texas will be made separate from all other states. The report will need to balance to the amount of the check we are sending the state. They will no longer accept a letter explaining any adjustments to the report for Texas. You will need to complete Form 53 108, to mail with Check and CD to: Texas State Comptroller, 111 E. 17th 7th Floor, Austin, TX 78774. If you have any safe deposit boxes you will also mail in form 53 105 with information on owner and box number.
- 13.** California will request the money be sent to them in June of the following year. We will report to CA when we report to all the other states but we will not submit the money only the report will be mailed to CA in form of a CD along with the necessary forms.
- 14.** The related accounts report will also be worked up to update the accounts that are dormant using the current date on the related account. This will be done as time allows.