A Fourth “R” when Governing: renovation

How strategic reforms and modernization of the Unclaimed Property Division have led to record amounts returned and award-winning compliance results

North Carolina Department of State Treasurer
Elected in 2008, State Treasurer Janet Cowell continues to renovate the North Carolina Department of State Treasurer.

To “renovate” is to:

• Take what is structurally sound and working
• Modernize it
• Make it better
• Move it from 20th century practices to 21st century possibilities
Treasurer’s Vision

To renovate her department, independent reviews of Division systems and processes were and continue to be conducted:

- Investment Division Fiduciary Review – 2009
- Unclaimed Property Independent Review – 2011
- Retirement Systems Third Party Review - 2012
- Fraud, Waste and Abuse Review – 2013
- Information Technology Review – 2014
- State Health Plan Data Analytics Review – 2014
- General Counsel / Legal Services Review – 2014
- State and Local Government Review – 2015
Independent Review and Evaluation

In December of 2010, the NC Department of State Treasurer issued an RFP for the purposes of conducting an independent review and evaluation of the Unclaimed Property Program.

The Goal was to create a strategic plan with specific recommendations for the improvement of the Program.

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Independent Review and Evaluation Findings

North Carolina’s Unclaimed Property Program was found…

✔ “to be sound, and operating in a manner that is consistent with other well-run state programs. There were no glaring control or operation issues, and the Program is able to perform its most critical functions.”

✔ “we have identified specific opportunities for growth, positive change, enhancement and improvement.”

✔ “the Program has the capacity to ‘do more,’ and with directions and additional resources, most recommendations made herein can be achieved to help the Program realize its full potential.”

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Renovating Government for the People of North Carolina
North Carolina Department of State Treasurer

A Fourth “R” when Governing: renovation
Independent Review and Evaluation

Renovation Areas

- Operations and Program Management
- Compliance
- Communication and Outreach
- Statutes, Rules & Regulations, Policies & User Manuals
Independent Review and Evaluation

Unclaimed Property Program

Operations and Program Management

Communications and Outreach

- Website
  - General
  - Holders
  - Claimants

- Outreach
  - Events
  - Multimedia
  - Proactive Owner Location Program
  - Outreach Program Organizational Structure

Statutes, Rules & Regs, Policies & User Manuals

- Administrative Rules
- H692 (effective 10-1-11)
- Policies and User Manuals

Compliance

General Overview and Background

- Holder Reporting
- Claims Processing
- Securities Custody

Audit Director

- Audit Philosophy
- Strategic Audit Plan
- Staffing and Materials Review
- Holder Education
- Vendor Auditors

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Implementing Recommendations

Operations and Program Management

Evaluated Human Resources
• Created Business Manager position and reorganized supervisors roles leading to greater accountability, streamlined processes, and enhanced quality of work

Developed Metrics
• Created performance management measures:
  • Report Cards (for individuals)
  • Score Cards (for Audit and Claims units)
  • Dashboard (for UP division)

Enhanced Outsourcing and Improved Internal Claims Processing
• Created proactive culture across Division
Implementing Recommendations

**Compliance**

Initially enhanced the Audit Director Position
- Focusing position and audit staff on holder compliance

Vendor Auditors
- Adding outside vendors to enhance capacity

Holder Education
- Developing messaging and education that is intended to create a “culture of compliance” among holders

Strategic Audit Plan
- Reducing audit backlog
Developed Strategic Events Plan
• Increased number of events creating greater opportunities for citizens to get their unclaimed property back

Implemented Multimedia
• Enhanced strategic customer contact with website enhancements, use of social media, and creation of new program collateral

Developed Targeted Outreach Program
• Conducted proactive owner lookups spanning targeted location to mass outreach and includes data matching collaboration with other state agencies

Formalized Outreach Program
• Hired Marketing/PR Specialist, created DST Boot Camp, and branded “Bill the Bill”
Bill the Bill and NC Cash

Conduct a free online search for your unclaimed cash!

NC Cash.com

A SERVICE OF THE NORTH CAROLINA DEPARTMENT OF STATE TREASURER

The NC Cash Program

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Examined Administrative Rules

- Evaluation of legal team for all rules to provide clarity and standardization for policies and procedures

HB 692 (effective October 1, 2011)

- Created and ran legislation that improved receipts and reporting process

Reviewed Policies and User Manuals

- Reviewed all manuals/user guides to ensure transparency and standardization, and improve customer service

Communicated Policies, Procedures, and Process

- Utilized technology enhancements to ensure clear, user friendly understanding of all requirements
Lessons Learned

Renovating as an Approach

Taking 20\textsuperscript{th} century practices and generating 21\textsuperscript{st} century possibilities.
Lessons Learned

Leadership and Leading Change

- Leveraging resources
- Articulating a business case
- Understanding the big picture and the small pieces
- Depersonalizing the change
Lessons Learned

Overcoming Challenges

• Thinking strategically
• Acting proactively
• Prioritizing
Lessons Learned

Sustaining Commitment

- Effort
- Enthusiasm
- Evaluation
2013 North Carolina State Fair
NC Cash Totals
Amount found for fairgoers after 8 days:
$255,372.01

Heading to the State Fair this weekend? Stop by the NC Cash booth and conduct a free search for your unclaimed cash!

The NC Cash booth is located inside the Kerr Scott building at the 2013 NC State Fair.

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Website Evaluation: Before and After

Fiscal Year 2009-2010: 751,494 Page Views
Website Evaluation: Before and After

Fiscal Year 2013-2014 to date: 4,179,688 Page Views

Unclaimed Property Page Views

- 456% Increase

Before Renovation

Renovation

After Renovation

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Website Evaluation: Before and After

Before Renovation

Renovation

After Renovation

Holder Reporting Website: 197% increase in page views following the rebrand and web release

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Achieved a 7-12% increase in web searches per year
Amount Returned Evaluation: Before and After

NC Cash: Money Returned to Claimants

Fiscal Year 2011-2012
$41,335,056

Fiscal Year 2012-2013
$50,690,360

22.6% increase

A record $50 million was returned to rightful owners in Fiscal Year 2012-2013!
Renovation Becomes Legacy

Time to move in!
Questions?

2013 North Carolina State Fair
NC Cash Totals
Amount found for fairgoers after 8 days: $255,372.01

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You're Invited
North Carolina Unclaimed Cash
Creating a healthier economy by locating unclaimed funds

North Carolina Holder Reporting Guide
Processes and Procedures for Successfully Reporting Unclaimed Property
Updated August 1, 2013

NC Cash Program
Claim Your Cash!
It’s Easy. It’s Free. It’s Fast!

Stay Connected!
Get the latest NC Cash updates, information on upcoming events, and ways to Claim Your Cash.

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A Fourth “R” when Governing:
Thank you!