



## Reporting Unclaimed Property – What you should know (2019)

1. **Overview** – Amendments to the Uniform Unclaimed Property Act of 1995 moved the reporting dates and shortened the dormancy periods of most properties. The dormancy period, or abandonment period, is the period during which an owner of property does not take action on his property. Most property now has a dormancy period of three years. A notable exception to this is **payroll checks, which have a dormancy period of one year (except as noted below)**. Essentially, if the property has gone unclaimed (dormant) for these periods, it must be remitted to the state. For specific property types and their respective abandonment periods, please see: [http://www.michigan.gov/documents/treasury/Unclaimed\\_Property\\_Dormancy\\_Chart\\_342406\\_7.pdf](http://www.michigan.gov/documents/treasury/Unclaimed_Property_Dormancy_Chart_342406_7.pdf)

### Key Reporting Dates

*On or before*

March 31	Identify properties that may be reportable as unclaimed property as of March 31.
April 15	Prepare and mail due diligence letters to those property owners identified as inactive.
May 15	Determine property owners who have not responded to due diligence (i.e. returned mail, no response, etc.)
June 1	Begin preparing the annual unclaimed property report using reporting software or upload for free, using the MI Unclaimed Property website: <a href="https://unclaimedproperty.michigan.gov/">https://unclaimedproperty.michigan.gov/</a>
On or Before The first business day in July	Submit report and remittance as outlined in the manual for Reporting Unclaimed Property: <a href="https://unclaimedproperty.michigan.gov/docs/2013i_2598_7%20-%20Manual%20for%20Reporting%20Unclaimed%20Property.pdf">https://unclaimedproperty.michigan.gov/docs/2013i_2598_7%20-%20Manual%20for%20Reporting%20Unclaimed%20Property.pdf</a>

The method of reporting depends on the number of properties being reported. Those who do not have any unclaimed property do not have to file any form; however, the state of Michigan does strongly encourage the filing of 'zero' or 'negative' reports to establish a filing history. Those with less than 10 properties may choose to file online using the MI Unclaimed property website, or may file using paper forms which can be copied from the 'manual for Reporting Unclaimed Property' link above. Those with 10 or more properties **must** file electronically. Options for uploading reports or creating manual reports to file electronically are available on the new MI Unclaimed Property website.

2. **Do I have to do something before I turn over the unclaimed property?** Yes. Michigan law requires the holder to send written notice to owners at their last known address at least 60 days (but not more than 365 days) prior to remitting the property to the State if: a) the address does not appear to be inaccurate, b) the value of the property is over \$25 (see below), and c) the statute of limitations permits the owner to still claim the property. See the Appendix of the [Manual for Reporting Unclaimed Property](#) on the state website for sample letters.
3. **Exempt Property:** The following types of property are not required to be turned over as unclaimed property: Properties with a value under \$25 (except for dividends or stock-related properties), **wages of \$50 or less**, gift certificates, cards or credit memos which do not expire in less than 5 years and do not charge inactivity fees.
4. **Do You Really Have to File?** - Yes! Filing obligations under the Uniform Unclaimed Property Act require every entity that has unclaimed property belonging to owners whose last known address is in Michigan to report, regardless of whether the entity is incorporated in Michigan. In addition, an entity incorporated in Michigan must report any property belonging to owners where there is no known address. Failure to properly file a report may result in penalties and interest being assessed based on the value of the property that should have been paid or delivered.

If you have questions about this notice, please contact our office.

*This material is provided as a service of Dolinka VanNoord & Company, PLLP for informational purposes only and should not be construed as financial or legal advice. We have reviewed the information contained herein and believe it to be correct. However, we cannot accept responsibility for its content or application. Please consult with us for specific guidance for your organization before acting on any tax advice.*

Phone 616.459.2233 Fax 616.459.5469