

Warrant Escheatment Guide

Section 24-30-202, C.R.S requires the Office of the State Controller (OSC) manage and control disbursements including cancelling, reissuing or escheating uncashed warrants (checks) as necessary.

Per Unclaimed Property Law C.R.S 38-13-110, the State is required to report and deliver payment for all unclaimed property to the Great Colorado Payback GCP (State Treasury) unless an exception is identified. Warrants that are older than six months since the issuance date and still warranted on the check reconciliation table (CHREC) are considered unclaimed property and will escheat in a monthly automated process every first Saturday of each month (e.g. Saturday, October 7, 2017 escheatment process will run for March 2017 warrants) per C.R.S. 24-30-202(9). Once escheated, the OSC, Central Mangement Unit (CMU) reports the warrant details less exceptions identified to the Great Colorado Payback (GCP). Treasury completes the movement of the cash from the Departments fund to the GCP fund for escheated warrants. Federal funded warrants, CDLE – Fund 7010 warrants and various DNR warrants are identified as exception in statute. Departments should return funds to the federal government as appropriate.

Due Diligence Requirements

Departments are required to perform due diligence for all warrants not yet cashed. We strongly recommend the Department begin completing these processes on **ALL** outstanding warrants every month regardless of the stale date. The below chart outlines why and how to cancel and/or reissue warrants prior to the escheatment process. Send cancel and/or reissue documentation to state_centralapproval@state.co.us two weeks prior to the escheatment date (do need to include the letter sent to the Vendor). If submitted after this due date, there is no guarantee the warrant will not be escheated. The forms and training documents for how the Department should process a cancel and/or reissue of warrant can be found on the CORE website at <http://core.state.co.us>.

A sample letter to the Vendor with the un-cashed warrant has been provided at the end of the Guide. Please ensure the letter is sent to the Vendor's last known address. The letter should state the warrant has not been cashed and will be turned over to the Great Colorado Payback if a response is not received. The Payee must respond by sending the proper documentation such as:

- Original warrant or the “Affidavit of Lost Warrant” if they do not have the original warrant.
- W-9 with details on whether there has been an address change that caused a lost warrant.

Never cancel an expiring warrant that is a legal obligation. If due diligence does not allow cancel and/or reissue, then this must be considered unclaimed property. Stale dated and issued in error warrants are the exception as shown in the process chart below.

Due Diligence Report: (always ensure ETL is complete prior to running reports)

AP-001 Warrant & EFT Status Listing by Bank Account: Provides Departmental list of warranted or outstanding warrants including vendor address data for use with due diligence letters.

NOTE: The report does not reflect any Citibank Procurement Card warrants that are still outstanding.

Recommended prompt values:

From and To issue date: Leave blank to obtain all outstanding warrants or enter issue date

Document Code: AD;

Check status: Warranted;

Cabinet and/or Department: As needed depending on level of data needed.

After Escheatment

Outstanding warrants no longer show up on the check reconciliation (CHREC) table as warranted but instead are on the paid check (PDCHK) table with a status of Escheat. DC documents are created to clear warrants payable and move to appropriate balance sheet accounts.

Vendor requests:

If contacted by a vendor for payment that has escheated, the Department should refer the vendor to Great Colorado Payback for funds or Department can follow instructions on GCP website under holder reimbursement to request funds back from Treasury. Please let the vendor know that there may be a delay in getting funds from GCP.

Escheatment reporting tools:

AP-013 - Escheated Warrant Listing by Cabinet and Department: Provides a list of all escheated warrants that can be sorted by cabinet, department, and warrant number for a specified date range i.e. 7/1/2014 to 06/30/2015.

AP-014 -Escheatment Detailed Transaction Listing: Provides accounting details for the DC escheated warrant documents with various sorting options like warrant number and department. Report includes several tabs to be used by Departments and Treasury:

Detail TRN List – Accounting details of the DC document for warrants that have been Escheated.

Detail TRN List Excl Federal Funds - Accounting details of the DC document for warrants, excluding Federal Appropriations and CDLE fund 7010, that have been Escheated and will be sent to GCP.

Detail TRN List Exclusions - Accounting details of the DC document for warrants, items that were excluded from GCP reporting (Federal Appropriations and CDLE fund 7010)

Treasury BSA 2751 – Accounting details for BSA 2751 for warrants that have been Escheated.

Treasury BSA 2751 Excl Federal Funds– Accounting details for BSA 2751 for warrants, excluding Federal Appropriations and CDLE fund 7010 **NOTE:** *Used by Treasury to create details for IET document to transfer funds to GCP and by DNR to determine any warrants that should be excluded from GCP reporting.*

Treasury BSA 2751 Exclusions - Accounting details for BSA 2751 for warrants, items that were excluded from GCP reporting (Federal Appropriations and CDLE fund 7010)

AP-015- Escheated Warrants Reported to Unclaimed Property (IET Detail): Provides details (warrant and accounting) for the IET document created to send escheated warrants to Unclaimed Property, reconciliation of IET to GCP upload, shows amounts sent from 2751 account to GCP.

Department Process Chart

<p>Perform Due Diligence on Valid Payments</p>	<p>Colorado law requires agencies to perform due diligence for valid, un-cashed warrants by sending a letter to the vendor’s last known address which states the warrant is being held and will be turned over to the Unclaimed Property Division of the Colorado State Treasury if the payee does not respond with the proper documentation which includes:</p> <ul style="list-style-type: none"> • Original warrant or the “Affidavit of Lost Warrant” if they do not have the original warrant. • W-9 with instructions to complete if there has been a name or address change. <p>Note: Due Diligence records must be retained for 5 years.</p>
<p>Cancel Warrant</p>	<p>For warrants that no longer represent a valid debt owed by the State and need to be cancelled, send the due diligence letter and follow the process summarized in steps below.</p> <ol style="list-style-type: none"> 1. Due diligence notice sent to the payee to obtain either the original warrant or an “Affidavit of Lost Warrant.” 2. Complete a Warrant Cancel Request Form. 3. Attach screen prints of CHREC table showing warrant with a status of warranted. 4. Scan and email the above documents to state_centralapproval@state.co.us
<p>Manual Reissue and Cancel Warrant: Valid warrant but need alteration from original warrant e.g. address update</p>	<p>Warrants that are valid, uncashed but need alteration from the original (such as an address update) must go through the warrant cancellation process (NOT reissue) with the Department issuing separate payment to the Vendor by following the below steps:</p> <ol style="list-style-type: none"> 1. Due diligence notice sent to the payee to obtain either the original warrant or an “Affidavit of Lost Warrant.” Also, send a new W-9 in order to change the vendor information. 2. Complete the Warrant Cancel Request Form. 3. Attach screen prints of the CHREC table showing warrant with a status of warranted. 4. Scan and email the above documents except the W-9 to state_centralapproval@state.co.us to complete the warrant cancellation. 5. Separately request VCUST record update with information from the W-9 with email to state_centralapproval@state.co.us. <p>Once the record has been updated, the Department must issue another payment. It is the Department’s responsibility to verify that reissues are processed.</p>
<p>Reissue Warrant: Valid outstanding warrants where payee has been located for reissue</p>	<p>For warrants that are valid, not yet cashed and not related to prior fiscal year, send the due diligence letter and follow the standard process for requesting reissue summarized in steps below.</p> <ol style="list-style-type: none"> 1. Due diligence notice sent to the payee to obtain either the original warrant or an “Affidavit of Lost Warrant.” 2. Complete a Warrant Reissue Request Form. 3. Attach screen prints of the CHREC table showing warrant with a status of warranted. 4. Scan and email the above documents to state_centralapproval@state.co.us.
<p>Escheatment of Warrants six month old will be sent to GCP</p>	<p>Valid warrants will be escheated on the first Saturday of each month if remaining on the AP-001 report which will mean that the payee could not be contacted or did not respond to Department due diligence correspondence.</p> <ul style="list-style-type: none"> • Undeliverable warrants in your possession are considered valid payments and should be escheated <p>NOTE: Undeliverable warrants to the state, other states, federal government, courts, school districts, etc. should be researched for deliverable addresses and NOT allowed to escheat.</p> <ul style="list-style-type: none"> • Warrants with State funding will be escheated using a DC document into state escheat payable 2751 and will be transferred to Great Colorado Payback GCP (State Treasury). • Warrants with federal funding will be recorded using a DC document into federal escheat payable 2751 at the Department level and will need to be returned to federal government as appropriate by Department.

	<ul style="list-style-type: none"> • The exceptions per statutes e.g. CDLE – Fund 7010 and DNR will not be moved to GCP.
--	---

Example Due Diligence Letter:

STATE OF COLORADO
NOTICE OF UNCLAIMED PROPERTY

[Date]

[Recipient Name]

[Address]

[City, State/Province Zip/Postal Code]

Our records indicate that you have an uncashed payment(s) issued by the State of Colorado, details listed below.

The Colorado Unclaimed Property Law C.R.S. 38-13-110(5) requires us to notify you that your uncashed payment may be transferred to the Great Colorado Payback in the State Treasury if you do not resolve this matter immediately. Recovery of payment after entering the transfer process to the Great Colorado Payback may be delayed up to two months.

<u>Issue Date</u>	<u>Warrant Number</u>	<u>Amount</u>	<u>Nature of Payment</u>
-------------------	-----------------------	---------------	--------------------------

If you have an interest in these funds and wish to prevent the funds from being transferred to the Great Colorado Payback as unclaimed property, please complete the included Affidavit of Lost Warrant OR return the warrant(s) listed above. If you see that this warrant has an incorrect address and/or you have moved recently, please complete the included W-9 form.

Please send your completed affidavit OR warrant, and W-9, (if applicable) to:

[email address]

[Department contact]

[Address]

[City, State, Zip code]

IF A RESPONSE IS NOT RECEIVED, THE FUNDS WILL BE CONSIDERED UNCLAIMED AND MAY BE TRANSFERRED TO THE GREAT COLORADO PAYBACK, WHICH CAN BE RECOVERED AT:

<https://colorado.findyourunclaimedproperty.com/>