

**State of Colorado  
Office of the State Controller  
Warrant Escheatment Guide**

**Escheatment Schedule**

Per schedule, the Central Management Unit (CMU) will expire or escheat (new CORE terminology) warrants that are older than six months since issuance date and still warranted on the check reconciliation table (CHREC). Any stale dated warrant cancellation or reissue request not submitted to state\_centralapproval@state.co.us email box as of the due date will be escheated and turned over to the Great Colorado Payback GCP (State Treasury).

<b>Stale/Escheatment Date</b>	<b>Issue Date Warrants</b>	<b>Cancel/Reissue Due Date</b>
October 2016	January, February, March 2016	September 19, 2016
November 2016	April 2016	October 24, 2016
December 2016	May 2016	November 21, 2016
January 2017	June 2016	December 19, 2016
February 2017	July 2016	January 17, 2017
March 2017	August 2016	February 13, 2017
April 2017	September 2016	March 20, 2017
May 2017	October 2016	April 17, 2017
June 2017	November 2016	May 22, 2017

**Due Diligence Required**

Per the Unclaimed Property law C.R.S 38-13-110(5), the Department is required to perform due diligence for all warrants not yet cashed. Due diligence for a valid, un-cashed warrant includes sending a written notice to the vendor’s last known address which states the warrant has not been cashed and will be turned over to the Great Colorado Payback (State Treasury) if response not received. A new example written notice letter has been provided below. The Payee must respond by sending the proper documentation which includes:

- 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.

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 exception see chart below.

Use the InfoAdvantage report **AP-001 Warrant & EFT Status Listing by Bank Account** to obtain a Departmental list of warranted or outstanding warrants. This report is always available but is only updated after the ETL is run each night. The following prompt values can be entered to help research outstanding warrants. Please note report AP-001 includes the address data for the vendor to assist with due diligence letters and does not reflect any Citibank warrants that are still outstanding.

From and To issue date: Leave blank to obtain all outstanding warrants or enter issue date ie July 1, 2016 from chart above; Document Code: AD; Check status: Warranted; Cabinet and/or Department as needed depending on level needed.

We recommend Department begin completing these processes on all outstanding warrants every month regardless of the stale date.

**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 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>
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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: [www.colorado.gov/treasury/gcp](http://www.colorado.gov/treasury/gcp)**

## After Escheatment

Please note CORE looks different after escheatment process is run. The 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.

There are also escheated warrant reports available as noted below. These reports will provide accounting details as well as be helpful for research when contacted by a vendor or Great Colorado Payback when there is only a name not tax payer id associated with the escheated warrant due to use of a miscellaneous vendor in the original payment.

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 all 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, that have been Escheated and will be sent to GCP. **NOTE:** *Used by Treasury to create details for IET document to transfer funds to GCP. Also Used 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. Report used to reconcile IET to GCP upload. Also, can be used by departments to determine what amounts were sent from their 2751 account to GCP.

If contacted by a vendor for payment, 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 as the movement of cash to GCP may take some time before completed.

## Cancel/Reissue/Escheat Process Chart

The below chart should be used to determine steps needed to complete a cancel and/or reissue to be submitted to the CMU. Key items to note:

- Stale dated and invalid warrant cancel process will continue to be accepted throughout the year. The CMU will accept the AP-001 and certification statement to cancel warrants that are **stale dated** (six month old) **and no longer valid** i.e. duplicate payment or wrong vendor. This should save time for Departments in processing these types of warrants as no warrant or affidavit is needed from the vendor.
- Warrants with state funding will be expired 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.
- Warrants identified as exceptions per statutes i.e. CDLE – Fund 7010 and DNR will not be moved to GCP.

## Department Process Chart

<p><b>Perform Due Diligence on Valid Payments</b></p>	<p>Colorado law requires agencies to perform due diligence for valid, un-cashed warrants by sending a written notice 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"> <li>• Original warrant or the "Affidavit of Lost Warrant" if they do not have the original warrant.</li> <li>• W-9 with instructions to complete if there has been a name or address change.</li> </ul> <p>Note: Due Diligence records must be retained for 5 years.</p>
<p><b>Cancel Warrant: Older than six months and no longer valid i.e. duplicate payment or incorrect vendor</b></p>	<p>Warrants that are identified to have been <b>issued in error</b> (i.e. incorrect vendor or duplicate payment) <b>and stale dated</b> (over six months old) can be cancelled <i>without</i> sending any due diligence notice and <i>without</i> having the warrant in your possession or completing the affidavit. However, a required email certification and AP-001 report must be submitted. It is <b>extremely important</b> that warrants issued in error are canceled and not left on the expired warrant list.</p> <p><u>Cancel warrants that are at least 6 months old by following the below steps.</u></p> <ol style="list-style-type: none"> <li>1. Download the AP-001 report in excel and remove all warrants that are not issued in error and stale dated from the report</li> <li>2. Scan and email the above report to state_centralapproval@state.co.us with the below certification statement included in the body of the email and words "warrant cancel - stale dated/issued in error" included in the subject line.</li> </ol> <p><b>Certification statement:</b> The department of (please include your department name) has reviewed and certifies that the warrants included in the AP-001 attached report were originally issued in error and are stale dated (over six months old). We request all warrants on this list be cancelled.</p>
<p><b>Cancel Warrant: Issued within six months but no longer a valid warrant</b></p>	<p>Warrants that are no longer valid and need to be cancelled but are not yet six months old, send the written due diligence letter and follow the standard process summarized in steps below. For forms and detailed instructions, please go to OSC website.</p> <p><u>Cancel warrants that are NOT yet 6 months old by following the below steps.</u></p> <ol style="list-style-type: none"> <li>1. Due diligence notice sent to the payee to obtain either the original warrant or an "Affidavit of Lost Warrant."</li> <li>2. Complete a Warrant Cancel Request Form.</li> <li>3. Attach screen prints of CHREC table showing warrant with a status of warranted.</li> <li>4. Scan and email the above documents to state_centralapproval@state.co.us</li> </ol>
<p><b>Reissue Warrant: Valid outstanding warrants where payee has been located for reissue</b></p>	<p>Warrants that are valid, not yet cashed and not related to prior fiscal year send the written due diligence letter and follow the standard process for requesting reissue summarized in steps below. For forms and detailed instructions, please go to OSC website.</p> <p><u>Reissue warrants exactly like the original warrant by following the below steps:</u></p> <ol style="list-style-type: none"> <li>1. Due diligence notice sent to the payee to obtain either the original warrant or an "Affidavit of Lost Warrant."</li> <li>2. Complete a Warrant Reissue Request Form.</li> <li>3. Attach screen prints of the CHREC table showing warrant with a status of warranted.</li> <li>4. Scan and email the above documents to state_centralapproval@state.co.us.</li> </ol> <p><u>Warrants that are valid but need alteration from the original</u> (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"> <li>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.</li> <li>2. Complete the Warrant Cancel Request Form.</li> <li>3. Attach screen prints of the CHREC table showing warrant with a status of warranted.</li> <li>4. Scan and email the above documents <b>except</b> the W-9 to state_centralapproval@state.co.us to complete the warrant cancellation.</li> <li>5. Then to update the vendor data from the W-9, request the update to the VCUST record at state_centralapproval@state.co.us separately.</li> <li>6. Once the record has been updated the department will issue another payment. It is the department's responsibility to verify that reissues are processed.</li> </ol>
<p><b>Expire Warrants and transfer to Great CO Payback</b></p>	<p>Valid warrants will be expired if remaining on the AP-001 report per schedule due date 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"> <li>• Undeliverable warrants in your possession are considered valid payments and should be expired <b>NOTE:</b> Undeliverable warrants to the state, other states, federal government, courts, school districts, etc. should be researched for deliverable addresses and NOT allowed to expire.</li> <li>• Warrants with state funding will be expired using a DC document into state escheat payable 2751 and will be transferred to Great Colorado Payback GCP (State Treasury).</li> <li>• 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.</li> <li>• The exceptions per statutes i.e. CDLE – Fund 7010 and DNR will not be moved to GCP.</li> </ul>