

NMEAF UNCLAIMED PROPERTY (ESCHEATMENT) POLICY

OVERVIEW

The New Mexico Educational Assistance Foundation will timely remit unclaimed property held by the Foundation to the State of New Mexico or other states in accordance with the statutes.

Unclaimed property is a financial asset that has been abandoned by the owner for a period of time. All financial institutions, businesses and organizations that are holding unclaimed property belonging to New Mexico residents must file an unclaimed property report with the New Mexico Taxation & Revenue Department Unclaimed Property Division by November 1 of each year. Organizations that have determined they are not holding abandoned property are required to file a holders negative report.

REPORTING METHODS

Electronic Reporting

The State encourages all holders to report their unclaimed property electronically. The Department of Taxation and Revenue will accept electronic data in the NAUPA (National Unclaimed Property Administrators) format or in the States' own import format.

REPORTING MANUALLY

The report may be prepared on the New Mexico Report of Unclaimed Property form RPD-41201 and RPD-41202. Holders Negative Report is prepared on form RPD-41205.

FILING DEADLINES

The deadline for filing the report and remitting the property is November 1 of every year.

Unclaimed property should not be reported until it has reached the required abandonment period as of June 30 each year. The Foundation must hold the property until the appropriate abandonment period has run and include it in the next remittance to the state. The property type determines the abandonment period. (See attached chart of retention periods and property codes).

Property that is due November 1 may be remitted any time after the annual cut-off date of June 30, between July 1 and November 1. Prompt filing is crucial to avoid incurring interest and penalty on late reporting.

CUSTOMER CONTACT

There are two criteria for property to be reported as abandoned: 1) the retention period has passed and 2) there has been no indication of the owner's interest in the property.

The fact that mail is not returned by the Post Office does not, by itself, qualify as contact with the owner or activity on that account. When reviewing records for abandoned property, look for the last documented communication or other contact with the owner, or the last debit or credit generated by the owner on any property, not merely property that is "inactive."

DUE DILIGENCE

NOTICE TO OWNERS

The Foundation must make reasonable efforts to locate owners early in the abandonment period when the check or money remains uncashed or account cannot be located. Not more than 120 days or less than 60 days before filing the unclaimed property report, for property in the amount of \$50.00 or more, the Foundation will send written notice to the apparent owner's last known address stating that property is being held and may be turned over to the State. If the staff knows that the address we have in our records for the apparent owner is inaccurate and the claim of the apparent owner is not barred by the statute of limitations, we are not required to send written notice. The only property the Foundation should remit to the New Mexico Department of Taxation & Revenue is that for which the whereabouts of the owners are truly unknown.

The New Mexico Taxation & Revenue Department is responsible for providing notification to the owners of unclaimed property after it is turned over to them. They will publish the names of missing owners.

It is important that the Foundation keep records of owners' last-known addresses even though mail may have been returned by the post office. If the address is unknown, the property should be reported to New Mexico where the Foundation is located. If property with a last-known address other than New Mexico is reported, the property should be reported to that state.

RETENTION OF RECORDS

The Foundation is required to retain records of unclaimed property for 10 years after the property was reportable.

AGGREGATE REPORTING OF PROPERTY LESS THAN \$50

Individual owner records of less than \$50.00 may be reported in the aggregate. You may combine any amounts under \$50.00 and provide a single total.

COMBINING PROPERTIES OWED TO THE SAME OWNER

Owners who are owed more than one amount of the same property type should be listed on the report only once. Accumulate all the amounts due the owner during the applicable reporting period into one total. Provide the beginning and ending dates on which the amounts were payable.

INTEREST AND PENALTY ON LATE REMITTANCES

If the Foundation fails to pay or deliver property on time it will be subject to pay interest and penalties from the date the property should have been paid, reported or delivered until the date it is received in the tax office. File a report immediately if the company is holding property that should have been delivered to the State of New Mexico in previous years.

FILING FOR REIMBURSEMENTS

Once the Foundation has delivered property to the state, there is no time limit by which the owners must file a claim for its return. Claimants may contact the Foundation after the property has been remitted to the state. They can either be referred to the state, or the corporation may pay the owner directly and file for reimbursement from the state.

When claimants are referred to the state they should call or write:

Unclaimed Property Office
Taxation and Revenue Department
P.O. Box 25123
Santa Fe, NM 87504-5123
(505) 827-0762 or (505) 827-0769
Email: unclaimed.property@state.nm.us

If the Foundation pays the owner after the property has been remitted to the state a reimbursement claim will be filed with the state. A completed form Affidavit and Claim for Reimbursement by Holder for Property Returned to Owner RPD-41206. A reimbursement check will be mailed to the Foundation in approximately 90 days.