



# CITY OF IRVINE

## FINANCIAL POLICIES & PROCEDURES

**SECTION:** 3.1

**EFFECTIVE:** 09/22/2003

**REVISED:** 4/01/2010

**SUBJECT:** UNCLAIMED FUNDS

**APPROVED:** RP

**PURPOSE:** To establish the proper disposition and accounting for unclaimed money in accordance with government statutes.

**POLICY:** Funds that remain unclaimed for at least 3 years will become the property of the City of Irvine after the procedures identified herein have been followed. Unclaimed Funds consists of funds which are not the property of the City but remain in the City Treasury for three or more years without a claim being filed by the legal owner(s).

Unclaimed money does not include individual items of less than \$15, or any amounts in which the depositor's name is unknown. These funds will become the property of the City of Irvine after being unclaimed for a period of at least 12 months.

The City of Irvine maintains a list of funds that are unclaimed for at least one year on the City's web site along with instructions for obtaining a replacement check. This list will be updated quarterly by Treasury staff.

**REFERENCES:** Government Code Sections 50050 through 50056 provides the authority for this policy.

**PROCEDURES:** **Items over \$15**

Every June 30<sup>th</sup> and December 31<sup>st</sup>, (the evaluation date) all outstanding warrants will be evaluated. Any warrants issued more than 12 months prior to the evaluation date will be identified as stale dated. Stale dated warrants shall be cancelled, and the bank will be notified that these warrants have been cancelled. A journal entry shall be prepared to record the total amount of stale dated checks in a holding account. The entry is:

	DR	CR
Cash	\$ xx.xx	
Aged Un-cashed Warrants		\$ xx.xx

# FINANCIAL POLICIES & PROCEDURES

## Section 3.1 – Unclaimed Funds

### **PROCEDURES CONTINUED:**

A list of the stale dated warrants containing the warrant number, issue date, amount and payee shall be maintained by Treasury staff. If a cancelled warrant is presented, or the payee files a claim after cancellation, the warrant shall be re-issued by debiting the Aged Un-cashed Warrants account, and the original warrant shall be removed from the stale dated list.

Also on June 30 and December 31, the stale dated list shall be evaluated to determine which warrants are more than three years old from the date of issue. Warrants that are more than three years old will be handled as follows:

- A notice must be published once a week for two consecutive weeks in a newspaper of general circulation in Irvine stating the payee, the amount, the fund in which the money is held, and that it is proposed that the money will become the property of the City of Irvine on a specific date (not less than 45 nor more than 60 days after the first publication). See Attachment A for an example.
- Upon or prior to publication, a party of interest may file a claim for the funds with the Manager of Fiscal Services. The claim must contain the claimant's name, address, amount, tax identification number and grounds for the claim and must be submitted and accepted before the date identified in the notice as the date the funds become property of the City of Irvine. The Manager of Fiscal Services can require additional information to help substantiate the claim.
- On the day identified in the notice, the total dollar amount (on which no claims were filed) becomes the property of the City. A journal entry will be prepared to recognize the revenue. The entry is:

	DR	CR
Aged Un-cashed Warrants	\$ xx.xx	
Miscellaneous Revenue		\$ xx.xx

If the warrants were originally issued from Special Funds, the City Council may authorize the transfer of those funds to the General Fund.

### **Items under \$15 or items where the depositor is unknown**

Every June 30<sup>th</sup> and December 31<sup>st</sup>, (the evaluation date) all

# FINANCIAL POLICIES & PROCEDURES

## Section 3.1 – Unclaimed Funds

**PROCEDURES CONTINUED:** outstanding warrants under \$15.00 or where the depositor is unknown will be identified. Any warrants issued more than 12 months prior to the evaluation date will become the property of the City of Irvine. The warrants will be cancelled, and the bank will be notified that these warrants have been cancelled. A journal entry shall be prepared to record the total amount of these warrants as revenue. The entry is:

	DR	CR
Cash	\$ xx.xx	
Miscellaneous Revenue		\$ xx.xx

**GLOSSARY:** ***Unclaimed Money*** – Unclaimed Money consists of funds which are not the property of the City but remain in the City Treasury for three or more years without a claim being filed by the legal owner(s). Unclaimed money does not include individual items of less than \$15, any amounts in which the depositor’s name is unknown, or restitution to victims.

***Warrant*** – Instrument issued to pay for goods and/or services rendered, issue refunds, etc. (i.e. a check).

**ATTACHMENT:** 1 – Sample Notice  
2 – Unclaimed Funds Claim Form

## **City of Irvine SAMPLE NOTICE**

Notice is hereby given that the City of Irvine is holding funds for the following persons. If said funds are not claimed by MMMM dd, yyyy, these funds will become the property of the City of Irvine in accordance with California Government Code Sections 50050 – 50056. These funds may be released to the depositor, their heir, beneficiary or duly appointed representative provided a claim form has been completed with the necessary information.

The Unclaimed Money Claim Form is available at the City of Irvine Administrative Services Department, One Civic Center Plaza, Irvine, CA 92606, or by calling Donna Mullally, Finance Administrator at (949) 724-6037. Required claim information includes name, address, phone number, tax identification number, amount of claim, and grounds on which claim is founded. Once a claim is submitted, the Manager of Fiscal Services will determine what, if any, additional information is necessary.

Persons with funds on deposit for over three years:

<b>NAME</b>	<b>AMOUNT</b>	<b>SOURCE OF FUNDS</b>
John Doe	345.78	General Fund
Jane Smith	127.52	General Fund
Michael Johnson	300.00	Community Services Program Fund
Karen Henderson	400.00	Community Services Program Fund

**City of Irvine**  
**UNCLAIMED MONEY FORM**

Pursuant to California Government Code Section 50052, I wish to file a claim for previously unclaimed funds in the amount of \_\_\_\_\_ that was published in the Orange County Register on \_\_\_\_\_. The grounds on which I file this claim are:

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Vendor or individual name \_\_\_\_\_ Taxpayer ID No. or Social Security No. \_\_\_\_\_

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Signature \_\_\_\_\_ Telephone \_\_\_\_\_

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Address \_\_\_\_\_ City, State Zip Code \_\_\_\_\_

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**FISCAL SERVICES USE ONLY**

Claim received on \_\_\_\_\_ . Approved  Denied

Original Warrant No. \_\_\_\_\_ Date \_\_\_\_\_ Amount \_\_\_\_\_  
Replacement Warrant No. \_\_\_\_\_ Date \_\_\_\_\_ Amount \_\_\_\_\_

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Manager of Fiscal Services \_\_\_\_\_