

City of Palos Verdes Estates

UNCLAIMED CHECK POLICY

I. Purpose

The purpose of this Unclaimed Check Policy is to provide a means to address long standing unclaimed checks in a manner that is in accordance with governing statutes, and to ensure such resolution is reflected appropriately according to established accounting principles.

II. Application of State Law

- A. Unclaimed checks that are not the property of the City of Palos Verdes Estates ("City) and remain unclaimed for a period of more than three years can become the property of the City forty-five (45) days after an initial public notice is published. (Govt. Code Sects. 50050 and 50051)
- B. At any time after the expiration of the three-year period, the City will cause a notice to be published once a week for two successive weeks in a newspaper of general circulation. (Govt. Code Sects. 50050 and 50051)
- C. Before or on the date of the unclaimed check is to revert to the City, a party may file a claim for all or a portion of the amount of an unclaimed check. The City shall either accept or reject a claim. If the City rejects the claim, the claimant may file a complaint against the City seeking to recover all or a portion of the funds, and serve a copy of the complaint and the summons on the City within thirty (30) days of receiving notice that the claim was rejected. If a complaint is filed, the City must hold the claimed funds until the dispute is resolved. (Govt. Code Sect. 50052)
- D. The City Manager, or his or her designee, may release to the party of the unclaimed check, or its heir, beneficiary, or duly appointed representative, unclaimed funds if it is claimed before the date the unclaimed check becomes the City's property, and the claimant submits proof satisfactory to the City. (Govt. Code Sect. 50052.5)
- E. When an unclaimed check reverts to the City's property, the funds will automatically be credited to the City's fund from which the funds were originally drawn against. (Govt. Code Sect. 50053)

- F. Any individual unclaimed check of less than fifteen dollars (\$15), or any amount if the depositor's name is unknown, which remains unclaimed for a period of at least one year may be reverted, without publication of notice, to the City and credited to the fund from which the check originated. (Govt. Code Sect. 50055)

III. Public Notice

- A. Semi-annually, on or about April 30 and October 31, all unclaimed checks of at least fifteen dollars will be reviewed to determine those that have an issue date older than three (3) years. Upon review a determination will be made to proceed if the total unclaimed checks exceed the cost to publish a public notice.
- B. Checks with an issue date older than three years will be given notice and published once a week for two successive weeks in a newspaper of general circulation selected by the City Manager, or his or her designee, concurrently. These notices shall include the following information:
 - a. The individual or business name as shown on the unclaimed check.
 - b. The amount of the unclaimed check.
 - c. A statement that the unclaimed check shall revert to the City's property on a date that is not less than forty-five (45) days after the notice is first published.
- C. Proof of publication from the newspaper shall be retained in accordance with the City's records retention policy as evidence of meeting the publishing requirements as stated in this policy.

IV. Release and Disbursement

- A. Except as otherwise provided in this policy, the City Manager, or his or her designee, may release to the claimant of an unclaimed check, or its heir, beneficiary, or duly appointed representative, the amount of the unclaimed check, if all of the following are met:
 - a. The claimant files a claim on or before the date the unclaimed check reverts to the City's property;
 - b. The claimant submits sufficient proof substantiating the claim in writing to the City, including the following:
 - i. Claimant's name, address and telephone number;
 - ii. Social security number of FEIN;

- iii. Proof of identity; such as a copy of driver's license, state-issued identification card, social security card, or birth certificate;
- iv. The amount of the claim; and
- v. The grounds on which the claim is founded.
- vi. The claimant signs a form approving the City's request to stop.
- vii. Payment of the original unclaimed check, and releasing the City from further claim against said amount.

B. If the evidence offered by the claimant is incomplete or unsatisfactory to the City Manager, or his or her designee, the claimant may file a complaint in the Los Angeles County Superior Court, seeking to recover all or a portion of the unclaimed check. The claimant shall serve a copy of the complaint and summons upon the City Manager, or his or her designee, no more than thirty days after the claimant receives notice that the City has rejected the claim. In such cases, the City will take no action on the unclaimed funds until the complaint has been resolved.

C. If no claim is filed against an unclaimed check, the amount of the unclaimed check will revert to the City upon the close of business on the forty-fifth (45) day after publication of the first notice.

D. All unclaimed checks of less than fifteen dollars (\$15) which are outstanding more than one year will revert to the City immediately without public notice of any kind.

V. Accounting Transactions and Documentation

The City will make all appropriate accounting entries in order to substantiate any action that results from this policy, and will retain all records necessary to document this action taken.