

Indiana Mandatory Unclaimed Property Reporting

All Indiana businesses, nonprofit organizations and governmental agencies are required to file an annual report of unclaimed property. Property held by an entity but belonging to someone else who has not claimed possession must be reported. Unclaimed property may consist of cash, stocks, bonds, etc. A common example of unclaimed property is uncashed (outstanding) checks.

Under newly enacted law, the state of Indiana imposes a penalty for late filing of \$100 per day, up to \$5,000. In some cases, additional penalties may apply. Indiana's annual report, which is due November 1, must be filed *even if an entity has no unclaimed property*.

Depending on how long an organization has held the unclaimed property, there may be a requirement to turn it over to the state. Generally, Indiana requires that the property be transferred to the state after it has been held for five years. There are exceptions, however. For example, uncashed payroll checks should be turned over to the state after one year. This means, in some instances, money will have to be remitted with the annual report.

The Unclaimed Property laws have been in place for several years. Many organizations have never filed reports in the past and have not even been aware of the requirements, partly because the laws have not been stringently enforced. The state of Indiana is now preparing to ramp up enforcement. As a first step in that direction, the state of Indiana is conducting an amnesty program. To take advantage of the amnesty program, the Indiana unclaimed property report must be filed by November 1, 2010.

For more information, or to register and file your report on-line, go to the Indiana Attorney General's website at indianaunclaimed.com. Click on "Reporting," then click on "FAQs," and on "How Do I Report."

If you have any questions or for further assistance, contact Frank Lowry in the Munster office at 219-836-1065 or flowry@legacycpas.com.