



Unclaimed Property Briefs

Performing Due Diligence

Please refer to §55-210.12 of the *Code of Virginia*

When preparing to report your abandoned property to the Commonwealth, it is essential that you perform “due diligence”. For items \$100 and greater in value, the law requires that written notice be sent to the owner’s last known address on the holder’s records, informing them that their property is in jeopardy of being reported to the state as unclaimed and providing them with the opportunity to contact you regarding the property’s disposition. This process can prove to be helpful to you. If your customer contacts you due to this correspondence, you will no longer have to report the property to the state, and you will be saved the embarrassment of having sent the property to us in spite of actually having the customer’s correct address. As the law requires simultaneous reporting and remittance, it is important to begin the “due diligence” process soon after the reporting period ends (June 30 each year). Due diligence **MUST** be performed at least 60 days prior to filing your report (no later than August 31 each year). This will allow the owner(s) time to respond. Please see a sample due diligence letter on the following page.

Penalties for the failure to perform due diligence are specified in §55-210.26:1 (B). The section calls for a fine not to exceed \$50 for each account upon which due diligence was not performed. The date due diligence was performed must be stated on the AP-1 form certifying the accuracy of your report.



Unclaimed Property Briefs are published by the Commonwealth of Virginia, Department of the Treasury, Division of Unclaimed Property. Comments and questions should be submitted to Division of Unclaimed Property, P. O. Box 2478, Richmond, VA 23218, or call (804) 225-2393 www.trs.virginia.gov

Sample Due Diligence Letter

August 15, 2003

Mr. and Mrs. Good Customer
100 Any Street
Richmond, Virginia 23218

Dear Mr. and Mrs. Customer:

It is our policy to review and update our account records periodically. Our records indicate no customer-generated transactions have occurred on your account since (LAST DATE OF ACTIVITY). State law requires us to report and remit the funds in this account to the state if we have not had customer-generated activity with you for a specified period of time. To prevent us from reporting and remitting your account to the state unclaimed property office, please check the appropriate box, sign in the space provided below, and return this form to us no later than 2 weeks.

The above address information is correct for the account and I am aware of the account.

Please change the account holder(s) name and/or address as follows:

I wish to close this account. Please send a check for the close-out amount to the following address:

Signature

Date

Your assistance is appreciated. If we can assist you in any way, please contact our office.

Sincerely

Signature

