

Unclaimed Property Funds

Unclaimed property funds are those funds related to property that are left unclaimed. These unclaimed property funds are subsequently taken over by either the State or the Federal Government, when the claimant does not give a proper response to the notification from these authorities. It is essential for the businesses that hold properties largely uncontrolled, to file for the reports on an annual basis and hand over the related property in control of the respective State Government. By taking into consideration the current scenario, majority of the states in the United States consider properties left unclaimed to be some sort of an unexploited source of revenue. Hence, it is essential for the business processes to be mindful of the laws, which largely differ from one state to another. Although, compliance with regards to unclaimed property may pose a challenge, it needs to be dominated. Prior to the gaining attention of the respective administrator of the State, business firms need to track such incidents early, along with proper notification to the concerned authority. In addition, diligent maintenance of records would also help in ensuring that, such concerns are looked into and addressed well within time.

Miscellaneous: In case, the firms don't abide by the statutes of the state, it would lead to large assessment of audit, penalties which would be both criminal and civil, and significant accumulation of interest. In the event of the firm having shareholders, vendors and customers in more than one state, such complications are not circumscribed to one state only. Research estimates that as much as 10 % to 20 % business organizations, currently abide by the laws in relation to the unclaimed property. The remaining business processes are at a major risk, especially in case of states which experience in huge shortfalls, when it comes to revenue collections. These countries consider such non-abiding businesses to be a simple origin of untapped revenue collections.

Overview: Large numbers of states are at present facing huge crunches in their budget. Large property funds which remain unclaimed could correspond to a windfall for the state government. This is for the fact that, majority of American states has laws and legislations with regards to unclaimed property. This makes it easier for the State and the Federal Government, to do away with imposition of any new taxes by pursuing these unclaimed property funds. Financial analysts estimate that amount around \$ 2 Billion to \$ 3 Billion are confiscated on an annual basis by the states. Only a small percentage is reclaimed.