

6 KEY TAKEAWAYS

Update on Significant Unclaimed Property Issues

Kilpatrick's [Jordan Goodman](#) presented an update on significant unclaimed property issues nationwide during a [Council On State Taxation](#) (COST) webinar on December 5, 2025.

Jordan's key takeaways from the presentation include:

1

Unclaimed property is money or items that are owed to a business or individual that has been outstanding for a period of time (one to five years), like forgotten paychecks, unused gift cards, or old bank accounts. After a certain period, companies have to report and send this property to the state, which tries to reunite the property with its true owner. In some cases, the state will hold the money in perpetuity.

2

Every state has its own rules for how and when companies need to report unclaimed property. Many states use similar laws, but it's important for companies to check each state's requirements and deadlines to avoid fines. The most common among states in the 2016 Uniform Act Revised Uniform Unclaimed Property Act ("RUUPA").

3

Unclaimed property is reported to one of two states. If the holder's books and record contain a last known address, the property is reportable after the expiration of the holding period to the state indicated by the books and records. If there is no last known address, the unclaimed property is reported to the state of organization of the entity.

4

If a company fails to escheat unclaimed funds within the statutory deadline to the correct state, it can lead to substantial claims by a number of states. States have the right to audit companies for unclaimed property; identify debts that need to be escheated and charge substantial interest and assess penalties for failure to timely comply. In most states the look back period is fifteen years. A five-year holding period and a ten-year statute of limitations. In the absence of complete and researchable records, auditors are permitted to extrapolate liabilities for periods with proper records.

5

If a company has not been compliant, they can most likely make a deal with the state, called a Voluntary Disclosure Agreement (VDA), where the business does a self-audit; identifies unclaimed and unreported liabilities and avoid paying penalties or interest charges.

6

The types of debts and therefore types of unclaimed property are ever evolving. Assets such as cryptocurrency and virtual money are currently being addressed by the states. Legal issues arise in this context as companies have an obligation to protect people's private information when sharing records. It's best for companies to keep good records, have clear policies, and check regularly to make sure they're following the law.