

## Is the State Holding Your Association's Money?

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### How to Claim Your Escheated Funds

May 2013

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*Common Interest*

Like many other states, Connecticut has appointed itself as the official “lost and found” for all money abandoned within the state’s borders. We’re not talking about coins dropped on a sidewalk. Abandoned money can include old bank accounts, uncashed checks, stocks and bonds, money orders, life insurance policies, and other valuable assets. Connecticut is currently holding \$602 million for 1,114,607 rightful owners who have yet to ask for it back.

The legal term for this governmental function is “escheat,” and the rationale is that the State is in the best position to look after these funds until the owners step forward to claim them. The State, of course, uses and invests the money in the meantime. The Unclaimed Property Division of the state Treasurer’s Office is responsible for collecting and disbursing the funds. The program operates under a series of statutes which require banks, courts, businesses, utility companies, employers, hospitals, and virtually anyone else holding the assets of someone with whom they’ve lost contact. This often includes money left over in accounts of customers with bad mailing addresses or the property of a person who dies with no known heirs. After a fixed period of unsuccessful efforts to locate a rightful owner, usually between three and five years, the holder of the money is legally required to turn it over to the State (in fact, the State can sue the holder for failing to do so).

Why does this matter to your community association? Because a great deal of the money which the State is holding belongs to condominiums and similar organizations. Often the money is part of the auction proceeds from a mortgage foreclosure against a unit owner after the bank was paid in full. The community association never claimed its share of those proceeds for any unpaid common charges, probably because the wrong person was served with the original lawsuit paperwork (like an old manager or board member no longer in touch with the community), or the Executive Board did not understand how to properly participate in the litigation. After a few years of waiting, the court simply forwarded the extra money to the Treasurer’s Office. Other sources of unclaimed funds owed to associations might include credits on cancelled utility and insurance accounts, vendor rebates and refunds, and operating and reserve accounts held by a bank which wasn’t given contact information for an incoming board or manager.

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## Is the State Holding Your Association's Money?

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The amount held by the State in these situations may be only a few dollars, or it might be thousands. During the last fiscal year, the State returned a record \$83 million to 18,381 claimants. That's an average of over \$4,500 to each claimant just for stepping forward to claim their own money which someone else didn't know how to forward them. Usually the only reason escheated money remains unclaimed is because the rightful owner had no idea it existed. Fortunately, in the internet age, the process for discovering and claiming escheated funds is relatively simple. The Treasurer's Office maintains a website that makes it very easy to look up whether your association is owed any money. There is no deadline; no matter how many years have passed since the money was abandoned, the State will honor a proper claim and send a check to the rightful owner or his descendants.

Go to [www.CTbiglist.com](http://www.CTbiglist.com) and enter your association's name in the "last name" field. If listings appear, you can click on them to create a claim form which will tell you the nature of the unclaimed assets and which you can fill out and print to submit by mail. Be careful – after you click on the confirmation button to create the claim form, the website will block later access to the listing (to prevent duplicate claims), so don't quit before finishing the entire procedure. When you mail in the completed form, you will need to include:

- (1) written proof of your right to submit the claim on the association's behalf, such as a management contract or a signed board resolution;
- (2) a document showing the association's federal ID number, such as a copy of a federal tax return or a typed (not handwritten) W-9 form;
- (3) copies of your own driver's license and social security card; and
- (4) if the funds were deposited with two name-identifiers (like the association and a management company), a letter from the depositor confirming that either one may properly claim ownership. Large companies that regularly process escheats will have an "unclaimed funds department" available to help.

After the Treasurer's Office verifies the claim paperwork, you can expect a check to be mailed out to the association a few weeks later. Unfortunately the website will not reveal the dollar amount being held. Instead, you just have to submit the claim and wait for the Treasurer's Office to respond with the details.

While you're at it, try entering your own name on the website as well. The State just might be holding money for you personally as well.

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