

CITY OF SANTA BARBARA

Unclaimed Property Policy

**Unclaimed Property
Policy**

UNCLAIMED PROPERTY POLICY

© City of Santa Barbara
735 Anacapa Street
Santa Barbara, California 93101
Phone 805 564-5334 • Fax 805 897-1978

May 14, 2018

Overview

The purpose of this policy is to adopt a best practice and to set in place a procedure for handling unclaimed properties as per the Government Code.

General Information

Unclaimed Properties:

There are three different types of Unclaimed Properties within the City of Santa Barbara:

- **Unclaimed money** relates to uncashed warrants (checks) and employee paychecks that are not the property of the City of Santa Barbara. If such an item remains unclaimed in the City Treasury for three years, it becomes the property of the local agency after notice if not claimed or if no verified complaint is filed and served.
- **Utility Billing** unclaimed properties include over collection of funds specifically related to utility billing. Unclaimed money held in utility funds is not the property of the utility funds because it is the result of overpayments, including deposits, and therefore is not a fee for service rendered. Rather, the unclaimed money is simply being held for the true owners who failed to claim it.
- **Police unclaimed properties** are designated for specific use. These unclaimed properties are not included in this policy.

Though the handling of each of these unclaimed property types may differ, the policies set forth in these guidelines address “Unclaimed money” as described above.

Questions?

If you have any questions or need assistance with Unclaimed Property, you may contact the Finance Department at 564-5334.

General Policies

The purpose of the unclaimed money policy is to provide the proper mechanism to take possession of long standing unclaimed monies in accordance with State law and to ensure accurate accounting. The City shall make every reasonable effort to contact a lawful claimant of unclaimed monies prior to the issuance of notices described in this policy.

- 1) **STATE LAW.** State law specifies that money that is not the property of a local agency, including cities, that remains unclaimed for a period of more than three (3) years becomes the property of the agency not less than forty-five days after an initial public notice is published in a newspaper of general circulation published in the local agency. (Government Code Secs. 50001, 50050 and 50051.)
- 2) **DATE UNCLAIMED MONEY BECOMES CITY PROPERTY.** Money that is not the property of the City of Santa Barbara that remains unclaimed for a period of more than three (3) years shall become the property of the City of Santa Barbara forty-five (45) days after an initial public notice is published, except as otherwise specifically provided below.
- 3) **PUBLISHED NOTICES.** At any time after the expiration of the three (3) year period, the Treasurer of the City of Santa Barbara will cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the City of Santa Barbara. (Gov. Code Secs. 50050 and 50051)
- 4) **NOTICE CONTENTS.** The notice shall include the statutorily required information, which is the amount of money, the fund in which it is held, and that that the money shall become the property of the City of Santa Barbara on a date not less than forty-five (45) days nor more than sixty (60) days after the first publication of the notice. The notice may also, but is not required to, include the following information:
 - a) The individual or business name as shown on the issued check.
 - b) The check date, number and the amount of money on the issued check. See Exhibit I.
- 5) **PERMISSIVE WRITTEN NOTICE.** At or about the time of the initial published notice, the City may attempt to send a letter and affidavit form for replacement checks to the address on record for any warrant(s), check or other item issued more than three (3) years prior to evaluation date. Failure to send the letter and affidavit form or the failure of any person to receive either or both will not prevent the unclaimed money from becoming the property of the City forty-five (45) days after initial publication of the notice. See Exhibits II and III
- 6) **PROOF OF PUBLICATION.** A proof of publication from the newspaper is to be retained in accordance with the City's records retention policy as proof that the City published the required notice for two consecutive weeks.

- 7) CLAIM/CONTENTS. Upon or prior to publication, a party of interest may file a claim with the Treasurer, before the date the unclaimed money becomes the property of the City, seeking to claim all, or a designated part, of the unclaimed money. The claim which must include the following information:
- a) The claimant's name, address and telephone number.
 - b) The claimant's Social Security Number or Federal Employer Identification Number.
 - c) Proof of identity of claimant such as a copy of a driver's license, social security card or birth certificate.
 - d) The amount of the claim.
 - e) The grounds on which the claim is founded.

The treasurer may accept or reject the claim. See Exhibit III. (Gov. Code Sec. 50052).

- 8) RELEASE OF UNCLAIMED MONEY. The Treasurer may release to the depositor of the unclaimed money, their heir, beneficiary, or duly appointed representative, unclaimed money if claimed prior to the date the money becomes the property of the City upon submitting proof satisfactory to the Treasurer. (Gov. Code Sec. 50052.5)
- 9) TRANSFER FROM SPECIAL TO GENERAL FUND. When the unclaimed funds become the property of the City of Santa Barbara and are in a Special fund, the City Council may transfer them by resolution to the General Fund. (Gov. Code Sec. 50053)
- 10) UNCLAIMED MONEY LESS THAN \$15.00. Any individual item of less than fifteen dollars (\$15.00), or any amount if the depositor's name is unknown, which remain unclaimed for a period of one (1) year, the City Council may be transfer such funds which the money was originally drawn to the General Fund without the necessity of publication of a notice in a newspaper. (Gov. Code Sec. 50055)
- 11) DELEGATION OF TREASURER'S RESPONSIBILITIES TO DEPARTMENTS. The responsibility of the Treasurer may be delegated by the Treasurer to the department that maintains the supporting records of the un-cleared checks or unclaimed money based on the initial receipt or deposit of the money or both. (Gov. Code Sec. 50056). The Treasurer may delegate its responsibilities for processing unclaimed money claims to the Accounting Manager in the Finance Department.
- 12) ACCEPTANCE OF CLAIM. Except otherwise provided in this procedure, if the Treasurer of Finance or other Department accepts the claim, the City may release to the depositor of an unclaimed check, warrant, money or other item, or the heir, beneficiary, or duly appointed representative of the depositor, all or a designated part of the amount of an unclaimed check, warrant or other item, if:
- a) Claim is filed prior to the date the money becomes the property of the City of Santa Barbara
 - b) Proof substantiating the claim is conveyed in writing, including all items detailed in items "7" and "8" of this policy.

- c) After proper documentation is secured, payment request is prepared to release money based upon approved Claim Form.

13) REJECTION OF CLAIM. If Finance or other Department rejects all or part of a claim for unclaimed money, (Exhibit IV), the claimant may file a verified complaint seeking to recover all, or a designated part, of the money in a court within Santa Barbara County. The City Clerk shall be served with a copy of the complaint and summons which within thirty (30) days of the claimant receiving notice that the claim was rejected. The City Clerk shall notify the Finance Department or other department that rejected the claim. The City shall withhold the release of the portion of the unclaimed money for which a court action has been filed until a decision is rendered by the court. See Exhibit IV.

14) ACCOUNTING TRANSACTIONS. If a claim for unclaimed money is received prior to the date designated in the Public Notice for the unclaimed money to become the property of the City, the Finance Director or designee will verify the claimant's supporting information for checks over \$1,000. If the claimant satisfies all conditions required under this procedure, the City will void the old check and issue a new check for the claimed amount to the claimant.

- a) Accounts payable checks and payroll checks will be cancelled through the escheat process, and the monies transferred to the General Fund if not claimed during the public notice period.
- b) As of May 31st, annually, all outstanding checks of less than fifteen (15) dollars from accounts payable and payroll will be checked to determine those checks that have issue dates over twelve (12) months. These amounts will then be transferred to the General Fund miscellaneous revenue account. Follow step a, above.

Attachments

Exhibit I - Sample of Public Notice

Exhibit II – Sample Letter

Exhibit III -Sample of Unclaimed Money – Claim Form

Exhibit IV – Sample of Money Claim Rejection Form

Exhibit VII - California Government Code Section 50050-50056



City of Santa Barbara

Finance Department

www.SantaBarbaraCA.gov

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Accounting

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Payroll

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Risk Management

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Treasury

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Utility Billing

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805.897.1978

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310. E. Ortega St.
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Exhibit I – Sample of Public Notice

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN THAT, the Finance Department of the City of Santa Barbara, County of Santa Barbara, State of California, declares that the following monetary sums have been held by the City of Santa Barbara and have remained unclaimed in the funds hereafter indicated for a period of over three (3) years and will become the property of the City of Santa Barbara on the xx the day of the Month, Year, a date not less than forty-five (45) days or more than sixty (60) days after the first publication of this Notice.

Any party of interest may, prior to the date designated herein above, file a claim with the City's Finance Department which includes the claimant's name, address and telephone number, Social Security Number or Federal Employer Identification Number, amount of claim, the grounds on which the claim is founded. The Unclaimed Money Claim Form can be obtained from the City's Finance Office at 735 Anacapa St, Santa Barbara, CA 93102, or from the City's website at <http://www.santabarbaraca.gov>. Proof of identity such as a copy of a driver's license, social security card or birth certificate must be provided before funds will be released. With any questions, please contact the City of Santa Barbara, Finance Department at (805) 564-5334.

This notice and its contents are in accordance with California Government Code Sections 50050 et seq.

<u>Check Date</u>	<u>Check Number</u>	<u>Payee Name</u>	<u>Check Amount</u>	<u>Fund</u>
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City of Santa Barbara

Finance Department

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Exhibit II – Sample Letter

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Dear _____,

Our records indicated that check number _____ issued to you on _____ in the amount of \$_____ by the City of Santa Barbara, has not been cashed and is now stale dated. To claim this money, please complete the enclosed Stale Dated Check Replacement Affidavit' (Claim Form) and proof of identity, as indicated and mail to:

City of Santa Barbara
Finance Department
735 Anacapa St
Santa Barbara, CA 93102

Upon receipt of the properly signed affidavit, a new check will be issued to you. Please feel free to call at 805-564-5334 if you have any questions or any assistance.

Finance Director
City of Santa Barbara

Enclosure



City of Santa Barbara

Finance Department

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Exhibit III – Sample of Unclaimed Money – Claim Form

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CITY OF SANTA BARBARA
UNCLAIMED MONEY – CLAIM FORM
Return completed form to:
City of Santa Barbara Finance Department
735 Anacapa St
Santa Barbara, CA 93102

Pursuant to California Government Code Section 50052, I wish to file a claim for the previously unclaimed check in the amount of \$_____ that was published in the (which newspaper) on _____. The grounds on which I file this claim are:

Vendor or Individual Name (Printed)

Taxpayer I.D. or Social Security No.

Vendor or Individual Name (Signature)

Telephone Number

Address

City/State/Zip Code

FOR FINANCE DEPARTMENT

Proof of Identity Verified (check one):

Driver's License _____ Social Security Card _____ Birth Certificate _____

Verified By: _____

Date: _____

Claim: Approved Rejected

Reason for Rejection: _____

Reviewed By: _____

Date: _____



City of Santa Barbara

Finance Department

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Exhibit IV – Sample of Money Claim Rejection Form

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CITY OF SANTA BARBARA UNCLAIMED MONEY – REJECTION FORM

The City of Santa Barbara has rejected the unclaimed property claim of:

Vendor or Individual Name: _____

Taxpayer I.D. or Social Security Number: _____

Address: _____

City/State/Zip Code: _____

Original Check Date: _____

Original Check Amount: _____

The grounds on which this claim has been rejected are:

Under California Government Code Section 50052, you have the right to file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction within Santa Barbara County. A copy of the complaint and the summons issued thereon must be served within thirty (30) days of receiving this notice of rejection. Upon being served, the Finance Director will withhold the disputed amount from being released until a decision is rendered by the court.



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Exhibit V – Californial Government Code Section 50050-50057

GOVERNMENT CODE SECTION 50001, AND 50050-50057

50001. Definition of local agency.

“Local agency” as used in this division means county, city, or city and county, unless the context otherwise requires.

50050. Unclaimed money in treasury of local agency or custody of officers; publication of notice; restitution money; use of money for victim services

For purposes of this article, “local agency” includes all districts. Except as otherwise provided by law, money, excluding restitution to victims, that is not the property of a local agency that remains unclaimed in its treasury or in the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three-year period, the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency. At the expiration of the three-year period, money representing restitution collected on behalf of victims shall be deposited into the Restitution Fund or used by the local agency for purposes of victim services. If a local agency elects to use the money for purposes of victim services, the local agency shall first document that it has made a reasonable effort to locate and notify the victim to whom the restitution is owed. The local agency may utilize fees collected pursuant to subdivision (l) of Section 1203.1 or subdivision (f) of Section 2085.5 of the Penal Code to offset the reasonable cost of locating and notifying the victim to whom restitution is owed. With respect to moneys deposited with the county treasurer pursuant to Section 7663 of the Probate Code, this three-year period to claim money held by a local agency is extended for an infant or person of unsound mind until one year from the date his or her disability ceases.

For purposes of this section, “infant” and “person of unsound mind” have the same meaning as given to those terms as used in Section 1441 of the Code of Civil Procedure.

50051. Unclaimed money; notice; contents

The notice shall state the amount of money, the fund in which it is held, and that it is proposed that the money will become the property of the local agency on a designated date not less than forty-five days nor more than sixty days after the first publication of the notice.

50052. Unclaimed money; filing of claim; requisites; acceptance or rejection; court proceedings



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Upon or prior to publication, a party of interest may file a claim with the treasurer which must include the claimant's name, address, amount of claim, the grounds on which the claim is founded, and any other information that may be required by the treasurer. The claim shall be filed before the date the unclaimed money becomes the property of the local agency as provided under Section 50051 and the treasurer shall accept or reject that claim. If the claim is rejected by the treasurer, the party who submitted the claim may file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction within the county in which the notice is published, and serves a copy of the complaint and the summons issued thereon upon the treasurer. The copy of the complaint and summons shall be served within 30 days of receiving notice that the claim was rejected. The treasurer shall withhold the release of the portion of unclaimed money for which a court action has been filed as provided in this section until a decision is rendered by the court.

50052.5. Unclaimed money; release; value; liability

(a) Notwithstanding Section 50052, the treasurer may release to the depositor of the unclaimed money, their heir, beneficiary, or duly appointed representative, unclaimed money if claimed prior to the date the money becomes the property of the local agency upon submitting proof satisfactory to the treasurer, unless the unclaimed money is deposited pursuant to Section 7663 of the Probate Code.

(b) Notwithstanding Section 50052, the treasurer may release unclaimed money deposited with the county treasurer pursuant to Section 7663 of the Probate Code, to any adult blood relative of either the decedent or the decedent's predeceased spouse.

(c) Notwithstanding Section 50052, the treasurer may release unclaimed money deposited with the county treasurer pursuant to Section 7663 of the Probate Code to the parent who has legal and physical custody of a minor who is a blood relative of either the decedent or the decedent's predeceased spouse without the need to appoint a legal guardian for the minor as follows:

(1) If the value of the unclaimed money deposited with the county treasurer is five thousand dollars (\$5,000) or less, the treasurer may release the money according to Section 3401 of the Probate Code.

(2) If the value of the unclaimed money deposited with the county treasurer is sixty thousand dollars (\$60,000) or less, and the money is not released under paragraph (1), the unclaimed money may be released by the treasurer to the parent who shall, after payment of any costs incurred in making the claim, hold the money in trust, to be used only for the care, maintenance, and education of the minor, and the parent shall be liable therefor to the minor under the fiduciary laws of this state. The money held in trust shall be released to the minor when the minor reaches the age of majority.

(d) The claim shall be presented to the county treasurer in affidavit form and signed under penalty of perjury. Notwithstanding Section 13101 of the Probate Code, the claimant, to be entitled to the entire escheated estate, needs only to establish with documentary proof the existence of a blood relationship to either the decedent or of the predeceased spouse, if any, and the documentary proof, if regular on its face, need not be certified. Notwithstanding Section 13101 of the Probate Code, the claimant shall not be required to declare that no other person has an equal or superior claim to the escheated estate.



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The county treasurer may rely in good faith on the sworn statements made in the claim and shall have no duty to inquire into the truth or credibility of evidence submitted.

In paying out the escheated estate, the county treasurer shall be held harmless to all. Payment shall act as total acquittance and shall completely discharge the county treasurer from any liability.

If the county treasurer rejects any claim made hereunder, the claimant may take his or her grievance to the Superior Court of the county holding the escheated estate.

Any claim paid hereunder shall be paid without interest.

50053. Unclaimed money; transfer to general fund on acquisition of ownership

When any such money becomes the property of a local agency and is in a special fund, the legislative body may transfer it to the general fund.

50054. Performance of construction services or construction of public works by governmental body; charge

Whenever any city or county or city and county renders construction services or constructs public works for any city, county, city and county or any other governmental agency below the level of the state government, the price charged for such services or construction shall be sufficient to reimburse the governmental body performing such services for the full cost thereof including labor, material, equipment costs or rentals and a reasonable allowance for overhead. In computing overhead, without limitation on other factors properly includable, there shall be allocated to the overhead cost its proportionate share of indirect labor and administrative costs.

50055. Unclaimed money; transfer to general fund

Any other provision of this article notwithstanding, any individual items of less than fifteen dollars (\$15), or any amount if the depositor's name is unknown, which remain unclaimed in the treasury or in the official custody of an officer of a local agency for the period of one year or upon an order of the court may be transferred to the general fund by the legislative body without the necessity of publication of a notice in a newspaper.

50056. Delegation of responsibilities

The responsibilities of the treasurer as provided under this article may be delegated by the treasurer to the agency, district, or department that maintains the supporting records of the unclaimed money based on the initial receipt or deposit of that money or both.