



June 4, 2021



RESPONSE REQUIRED TO AVOID ON-SITE AUDIT

The Minnesota Department of Commerce (the "Department") is responsible for administering Minnesota's unclaimed property law (Minnesota Statutes Annotated §§ 345.31-345.60). Based on a review of the Department's records, it appears that [REDACTED] has never or only rarely reported unclaimed property to Minnesota.

The Department recognizes that not all businesses are familiar with the unclaimed property law. Therefore, we have authorized a Self-Audit program providing your company an opportunity to come into compliance with the law. This program allows you to review your own records for unclaimed property, without undergoing an on-site audit and without assessment of penalties and interest.

**This letter is the official notice to [REDACTED] from the Department of Commerce to complete a Self-Audit.** Please review the enclosed FAQ for more information.

The Self-Audit form can be found at <https://mn.gov/commerce/self-audit.jsp> and is due by 07/20/2021.

Your response will be assessed for accuracy by the Department upon submission. Please note that in light of this notice, any further failure to identify unclaimed property in your custody will be considered an intentional act in violation of Minnesota Statutes Annotated § 345.55.

The Department is working with [REDACTED], our authorized third-party auditor, to assist with the Self-Audit program. If you have any questions, please contact [REDACTED] at [REDACTED].

Your prompt response will enable your company to avoid an on-site audit.

Sincerely,



Minnesota Department of Commerce



## UNCLAIMED PROPERTY SELF-AUDIT: FREQUENTLY ASKED QUESTIONS

### WHAT IS UNCLAIMED PROPERTY?

- Almost all companies have property they are holding that belongs to someone else. If there has been no contact with, or activity by, the owner regarding the property for a certain period of time (the “dormancy period”), this property is considered unclaimed. Once unclaimed, the property is required by law to be reported to the state for safekeeping.
- Common forms of unclaimed property include:
  - Uncashed checks (including payroll and vendor checks)
  - Unreturned customer deposits
  - Customer/client/patient credit balances
- The primary goal of the unclaimed property law is to protect the rights of unclaimed property owners, which include businesses as well as individuals, and return as much of that property as possible to the rightful owners.
- Minnesota may be holding property that belongs to your company or its employees. We encourage you to visit <https://mnclaims.unclaimedproperty.com/> to see if you are owed any money.

### WHAT IS A SELF-AUDIT AND WHY WAS MY COMPANY SELECTED?

- You are required to perform this Self-Audit because it appears that your company has never or only rarely reported unclaimed property to Minnesota.
- Under Minnesota law, companies holding unclaimed property must file reports annually.
- Minnesota regularly conducts on-site audits of companies it believes may not be in compliance with the law, which may include assessments of penalties and interest on any past due property identified.
- Minnesota recognizes that not all businesses may be familiar with their unclaimed property reporting obligations. With the goal of educating businesses on how to comply with its unclaimed property law, Minnesota is providing businesses with an opportunity to come into compliance by reviewing their own records to determine whether they are in possession of any unclaimed property.
- No penalties and interest will be assessed on property identified through the Self-Audit program.
- Notably, the vast majority of the companies selected to receive these self-audit notification letters take advantage of this opportunity to come into compliance with the state’s unclaimed property laws and avoid an onsite audit and/or the assessment of penalties and interest.

### I AM ALREADY REPORTING UNCLAIMED PROPERTY—DO I STILL NEED TO FILL OUT THE SELF-AUDIT?

- If you believe that your company is already reporting annually under another name or that another entity has been reporting unclaimed property on your behalf, instead of submitting the Self-Audit at this time, please fill out the prior reporting form found at <https://vanalytics.com/priorreporting> by the due date on your letter.

For assistance, contact [REDACTED].



## WHAT DO I DO IF I DO NOT BELIEVE I AM HOLDING UNCLAIMED PROPERTY?

- The Self-Audit will guide you in reviewing your company's books and records in order to determine whether you are holding any unclaimed property that is due to be reported to Minnesota. In order to avoid an on-site audit by Minnesota, you are required to complete the Self-Audit and await further directions even if you believe you are not holding unclaimed property.

## WHAT DO I DO NEXT?

STEP 1: Send an e-mail to [REDACTED] with your case number (found in the letter) in the subject line, confirming that you received the audit notification and intend to comply by the listed response date. *(If you do not believe you can complete the Self-Audit by the response date, please submit a request for an extension by e-mail to [REDACTED] before the response date.)*

STEP 2: Locate the online Self-Audit by typing <https://mn.gov/commerce/self-audit.jsp> into your web address bar.

To complete the Self-Audit, you will need your case number.

Once on the secure website, you will find:

- An introductory video
- Instructions and a worksheet providing information and guidance to complete the Self-Audit. You should print out these materials, as your worksheet answers will be used to complete the online **form**
- The Self-Audit form

## WHAT HAPPENS WITH MY SELF-AUDIT RESPONSE?

- Once you submit the Self-Audit form, there is nothing further you need to do until [REDACTED] contacts you regarding next steps.
- The information you provide in the Self-Audit will be evaluated to ensure your responses are complete, accurate and consistent with reporting by similar entities.
- [REDACTED] will assist you in reporting any unclaimed property. **Do not report any property to the state until you are instructed to do so.**

## WHAT IF I STILL HAVE QUESTIONS?

If you have any questions please contact [REDACTED] has been hired by the Minnesota Department of Commerce to administer this Self-Audit program and will respond to your inquiry. In corresponding with [REDACTED] please be sure to include your case number.

For assistance, contact [REDACTED].