

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: August 14, 2018

Report

Date: August 10, 2018

Subject: Resolution Adopting an Escheatment Policy for Unclaimed Money for the Coastside County Water District ("the District")

Recommendation:

Approve Resolution No. 2018-XX, A Resolution of the Board of Directors of the Coastside County Water District (District) Adopting an Escheatment Policy for Unclaimed Money.

Background:

Each year, the District accumulates a small amount of outstanding checks that remain unclaimed, even though attempts are made to contact the payees and reissue the checks. Normally these unclaimed funds consist of checks issued through Accounts Payable and/or refund checks issued through our Utility Billing System. Currently, the District has \$804 of outstanding checks aged 1 to 3+ years old.

At the recommendation of the District's auditors, Staff proposes that the District's Board of Directors adopt a formal policy regarding the proper handling of unclaimed money that follows the requirements of California Government Code Sections 50050-50057. The policy provides for a noticing procedure that allows for checks that remains unclaimed for more than three years to become the property of the District not less than forty-five (45) days and not more than sixty (60) days after the first publication of a notice in a newspaper of general circulation within the District.

The District will also maintain a list of outstanding checks greater than one year old on its website in accordance with best practices.

Fiscal Impact:

Recovery of Unclaimed Money – estimated at less than \$1,000 on an annual basis.

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Exhibits:

- A. Resolution Adopting a Coastside County Water District Escheatment Policy
- B. Escheatment Policy for Unclaimed Money
- C. Government Code Sections 50050-50057

RESOLUTION NO. 2018-XX

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COASTSIDE COUNTY WATER DISTRICT
ADOPTING THE COASTSIDE COUNTY WATER DISTRICT ESCHEATMENT POLICY
FOR UNCLAIMED MONEY

WHEREAS, from time to time checks issued by the Coastside County Water District (District) will remain uncashed despite efforts made by District staff to make contacts with the payees and reissue the checks; and

WHEREAS, California Government Code Sections 50050-50056 provide procedures for escheating uncashed checks to a local agency if the uncashed checks are over one year old and less than \$15 and if the uncashed checks are over three years old and more than \$15 following publication once a week for two successive weeks in newspaper of general circulation published in Half Moon Bay; and

WHEREAS, the District's Board of Directors desires to adopt a policy for the handling of uncashed checks in accordance with California Government Code Sections 50050-50056.

NOW THEREFORE BE IT RESOLVED by the Coastside County Water District's Board of Directors, that the Coastside County Water District's Escheatment Policy for Unclaimed Money incorporated herein as Exhibit A is hereby adopted.

PASSED AND ADOPTED THIS ____ day of August 2018, by the following votes:

Ayes:

Noes:

Absent:

Robert C. Feldman, President
Board of Directors

ATTEST:

APPROVED:

David R. Dickson, General Manager
Secretary of the District

Catherine Groves
Attorney

COASTSIDE COUNTY WATER DISTRICT ESCHEATMENT POLICY FOR UNCLAIMED MONEY

This policy is established to provide for the escheatment of unclaimed money, including unclaimed checks, from the Coastside County Water District (District), consistent with the provisions of California Government Code Sections 50050 through 50057. In the event of any conflict between the provisions of the Government Code and the provisions of this Policy, the provisions of the Government Code shall prevail.

- A. Any individual item of less than fifteen (\$15.00) dollars, or any amount if the depositor's name is unknown, which remains unclaimed for a period of one (1) year may become the property of the District without the necessity of public notification in a newspaper or District website. (Cal. Gov't Code §50055).
- B. Money that is not the property of the District that remains unclaimed for a period of more than three (3) years shall become the property of the District not less than forty-five (45) days and not more than sixty (60) days after the first publication of the notice described in Paragraph D below. (Cal. Gov't Code §§ 50050-50051.)
- C. Annually, the District will publish a list on its website of checks that are one to three years old, have never been cashed, and that have not yet been transferred back to the District as provided for in Paragraph D below.
- D. At any time following the expiration of the three (3) year period described in Paragraph B above, the General Manager or the Assistant General Manager of the District may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local area of Half Moon Bay. (Cal. Gov't Code §50050.)
- E. The notice shall include the following information: 1) the individual or business name as shown on the issued check; 2) the amount of the issued check; and 3) the account in which the money is held; and 4) a statement announcing that the money shall become the property of the District on the date that is not less than forty-five (45) days and not more than sixty (60) days after the first publication of the notice. (Cal. Gov't Code §50051.) A model template for the notice is attached as Exhibit I.
- F. A party of interest may file a claim at any time until the date on which the money becomes the property of the District as provided in Paragraph B above. The claim form must include the following information: 1) the claimant's name, address, and telephone number; 2) proof of identity such as a copy of a driver's license, social security card or birth certificate; 3) amount of the claim; and 4) the grounds on which the claim is founded. (Cal. Gov't Code §50052.) A model template for the claim form is attached as Exhibit II.

- G. Upon receipt of the information and documents described in Paragraph E above, prior to the date the unclaimed money becomes the property of the District, the General Manager or Assistant General Manager may release the money (by issuance of a new check, for example) to the depositor, or heir, beneficiary, or duly appointed representative. (Cal. Gov't Code §50052.5). Any claims paid under this policy shall be without interest.
- H. Upon rejection of a claim by the General Manager or Assistant General Manager, a claimant may file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction. (Cal. Gov't Code §50052.)
- I. Unless otherwise required by law (e.g., where the claimant has served the General Manager or Assistant General Manager with a timely complaint as described in Paragraph H above), upon unclaimed money becoming the property of the District, it shall be removed from the Unclaimed Checks liability account and recognized as miscellaneous revenue.

Exhibit I

Public Notice _____

COASTSIDE COUNTY WATER DISTRICT

PUBLIC NOTICE

The following disbursements are unclaimed by the listed payees and held by the Coastsides County Water District. If you have a claim against these funds, please contact the Coastsides County Water District, 766 Main Street, Half Moon Bay, CA 94019, phone (650) 726-4405. Proper proof of claim and current identification must be provided before funds will be released. Funds not claimed by _____ *[INSERT DATE NOT LESS THAN FORTY-FIVE (45) DAYS AND NOT MORE THAN SIXTY (60) DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE]* become the property of the Coastsides County Water District. This notice and its contents are in accordance with California Government Code Section 50050.

Payee (individual or business name as shown on the issued check)	Check Date	Account in which Money is Held	Amount
			\$
			\$

General Manager or Assistant General Manager

Exhibit II

Claim Form

COASTSIDE COUNTY WATER DISTRICT UNCLAIMED MONEY – CLAIM FORM

Return completed form to:

Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

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

Vendor or Individual Name (Printed)

Vendor or Individual Name (Signature)

Telephone Number

Address

City / State / Zip Code

For Coastside County Water District Only:

Proof of Identity Verified: Driver's License /Passport/ID Card/Other _____

Exhibit VI – California Government Code Section 50050-50057

GOVERNMENT CODE
SECTION 50050-50057

50050. 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. Money representing restitution collected on behalf of victims shall be either deposited into the Restitution Fund or used by the local agency for purposes of victim services after the expiration of the three-year period. However, 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. 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. 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.

Exhibit VI – California Government Code Section 50050-50057 (continues)

50052.5. (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.

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.

Exhibit VI – California Government Code Section 50050-50057 (continues)

50053. 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. 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. 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. 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.

50057. For individual items in the amount of one thousand dollars (\$1,000) or less, the legislative body of any county may, by resolution, authorize the county treasurer to perform on its behalf any act required or authorized to be performed by it under Sections 50050, 50053, and 50055. The resolution shall require that the county auditor be informed of each act performed under the authorization.
