

Memo 1994-20 Unclaimed Property

DATE: July 29, 1994 (Modified on 10-98)
TO: The Chief Executive Office of a Kansas State Chartered Bank, Trust
Company, or Savings and Loan Association
FROM: Frank D. Dunnick, Bank Commissioner
RE: UNCLAIMED PROPERTY

During the 1994 legislative session the State Treasurer's office requested and received numerous changes to the provisions of the unclaimed property law. These changes are found in K.S.A. 58-3934. As part of the revisions to this law, the Treasurer sought power to examine the state chartered banks, trust companies, and savings and loan associations in the area of unclaimed property. This office and representatives of the Kansas Bankers Association met with the Treasurer and her staff to work a compromise in this area. As a result, our examining staff will continue to review the unclaimed property held by state chartered institutions as a part of our routine examination. If violations of K.S.A. 58-3934 are found, they will be brought to the attention of the institution's management and correction of such violation will be requested. The violation write-up, which is contained in the examination report, will be provided to the State Treasurer's office **only if correction of the violation is not completed within fourteen days after the institution receives their final examination report.** Once our office notifies the Treasurer of non-compliance, the Treasurer will have the authority to examine your institution for compliance with K.S.A. 58-3934.

This letter is to make all state chartered banks, trust companies, and savings and loan associations aware of the change in the procedures this department will utilize as a follow up to uncorrected violations of the unclaimed property law. We have always reviewed an institution's compliance with this law as a part of our routine examination. Additionally, we have always asked for correction of such violations, if noted. This letter will serve as notice of this department's intention to disclose information of uncorrected violations of the unclaimed property law, which are derived during the course of an examination, to the State Treasurer, if such violations remain uncorrected for more than fourteen days after the final examination report is received by the institution. Once received by the Treasurer, she will have the option whether to make a further examination of your institution for compliance in this area.

Additionally, you should be aware, the new law requires a bank, trust company or savings and loan association to provide the State Treasurer with a letter from an independent CPA or a resolution of its board of directors which will certify compliance with the unclaimed property act. If this letter or resolution is not sent, the State Treasurer retains the right to examine your institution.

If you have any questions regarding this communication, please do not hesitate to contact Deputy Commissioner Judi Stork or me at 913-296-2266.

FDD:JMS:dsl

File R - All Bank Mailing