NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

UNCLAIMED PROPERTY DIVISION

BRADFORD B. BRINER
STATE TREASURER

MARYANNE FITZPATRICK
DEPUTY TREASURER

Guide to Unclaimed Property
Uncashed or Unpresented Checks

Refer to North Carolina General Statute §116B-53 - Presumptions of Abandonment

Outstanding checks are frequently reported as unclaimed property. An outstanding check is any check that has not cleared your bank for payment. This includes checks that are outstanding, written-off, stale-dated or returned by the post office.

General Checks
Common terms used include accounts payable, expense, drafts, and vendor payments. General checks are presumed abandoned after five years if they remain unclaimed.

Payroll and Wage Checks
This category includes wages, payroll, employee commissions, returnable garnishments, deferred compensation, payroll services and bonuses. Unclaimed property that represents wages or payroll is presumed abandoned one year from the date payable to the employee.

Utility Refund Checks
Refund checks issued by utilities are reportable one year from date issued. A utility includes any entity involved in the storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas. See North Carolina General Statute §116B-52(15) for a complete definition of a utility.

Refund Checks
Refund checks are reportable three years from the date issued if associated with a retail transaction and five years from the date issued for all other transactions. These types of refunds can generate from credit balances, overpayments, overcharges, discounts, or any other reason not related to utilities or deposits.

Security Related Checks
Any checks issued for dividends, profits, distributions, interests, redemptions, payments on principal, cash compensations, or other sums held or owing a shareholder, certificate holder, policy holder, member, bondholder, or other security holder are presumed abandoned after three years if they remain unclaimed. Security related property may not be aggregate like other property amounts less than fifty dollars ($50.00). Property subject to North Carolina General Statute §116B-53(c)(4), §116B-53(c)(5), and §116B-53(c)(5a) must be reported in accordance with North Carolina General Statute §116B-60(b).

Traveler Checks and Money Orders
Traveler checks and money orders are unique in that they are reportable to the state in which they are issued. If the state of issue is not available, they are reported to the state of the holder's principal place of business. Traveler checks are presumed abandoned fifteen years after the date payable, and money orders are presumed abandoned after seven years from date payable if the instrument has not been negotiated or the owner has not made contact with the issuer.

Financial Checks
Instruments issued by financial institutions for which they are directly liable include cashier checks, certified checks, and registered checks. These types of checks, if used as a third-party instrument, are presumed abandoned after seven years from date payable if not negotiated or the owner has not made contact with the issuer. If financial institutions choose to use such checks for its own purpose of payroll, account close outs, loan overpayments, etc., such checks are presumed abandoned based on the dormancy period of the underlying obligation. Purchaser and Payee owner information should be provided when reporting these types of checks.

Governmental Checks
Outstanding checks issued by governmental units are reportable one year from date issued. A governmental unit includes a court, government, governmental subdivision, agency, or instrumentality.

"Buried" Checks
Depending on the volume of checks flowing through a checking account and the outstanding check report parameters, unclaimed checks can become "buried" and easily overlooked. It is possible a check number was reused before clearing off a stale-dated check to a liability account. Or, if an outstanding check report sorts by month and day, but not by year, older checks may move from the top of a report to the middle of a report. In both situations, a reviewer might not expect to find checks "buried" deep in the outstanding check report. Holders are encouraged to look for these types of checks.

Outside Services
Although an outside service may handle a company's payroll, health, dental or pension account, the company typically remains liable for reporting the unclaimed checks unless otherwise stated in the contract. Consult any outside service providers to ensure reporting responsibility for any uncashed checks.