

## GLOSSARY OF COMMON ABANDONED PROPERTY TERMS

**Abandoned (Unclaimed) Property:** Tangible or intangible property that is unclaimed by its rightful owner.

**Activity:** Action taken on property by the owner which may include making a deposit, a withdrawal, a written memorandum to the holder or any action that state statute deems adequate.

**Aggregate:** The sum total dollar value of individual owner accounts which are less than the maximum dollar value required to be reported in detail.

**Conservator:** An individual who is court appointed to legally hold, manage, and safeguard the value of another person's property.

**Custodian:** An individual or entity who holds property for the benefit and care of the rightful owner. Custodian controls the property until it is delivered to the rightful owner. Most states' laws make the abandoned property division a "custodian" of the abandoned property remitted to the state.

**Due Diligence:** The degree of effort required by statute that a holder of abandoned property must use to find the rightful owner of property before the property is remitted to the state.

**Disclaimer:** See Indemnification.

**Dormant Period:** The time period during which an owner of property does not take action on his or her property. (See "Activity")

**Dormancy/Date of Last Activity:** The date of last contact with the listed holder by the owner.

**Escheat:** A transfer of property that makes the state the legal owner of the transferred property. Few states operate under an "escheat" law for abandoned property. (Compare to "Custodian")

**Holder:** The entity that controls abandoned property until it is transferred to the owner or the state on behalf of the owner.

**Indemnification:** An agreement that protects a party from loss by transferring the responsibilities to a third party. Literally, the term means "in your shoes." Thus, the third party "stands in the shoes" of the original party.

**Intangible Personal Property:** Property that is represented by a symbol. Stock certificates and savings bonds represent ownership interest in a company. A savings bond represents an obligation to pay the face value. (See "Tangible personal property")



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**Official Check:** A check or written instrument for which a banking, financial organization, or business association is directly liable; including but not limited to drafts, money orders, traveler's checks, cashier checks, expense and payroll checks.

**Owner:** A person having legal or equitable claim to the abandoned property.

**Person:** Any individual, business association, government or public subdivision, public corporation or authority, estate, trust, two or more persons having a joint or common interest, or any other legal or commercial entity.

**Rightful Owner:** A person who has the legal right to the property.

**Real Property:** Real estate and fixtures.

**Reporting Process:** Generally, states process a holder's report through "report/remit" or "dual reporting".

**"Report/Remit":** Some states' laws require holders to file on report a year and simultaneously remit the abandoned property which is described in the report.

**"Dual Reporting":** Some states' laws require holders to file an "initial publication report" listing the names and addresses of individual for which the holder has apparent abandoned property in its possession. Usually, the states use the information in the "publication report" to publish or give notice to the owners listed in the report within a legally defined time period. After the owner notice or publication occurs, the holder is required to file a final or "remittance report" listing that owner from the "publication report" for whom property is still held. Normally, at the time the final "remittance report" is filed; the holder is required to remit the abandoned property listed in the report.

**Tangible Personal Property:** Personal property that is represented by itself. A diamond ring and a 1984 silver coin are examples.

**Underlying Shares:** Duplicate shares of stock which have been issued by a business association, banking or financial organization. The original certificate for these shares are in the possession of the shareholders, who have failed to either cash the dividend checks, correspond with the issuing corporation or respond to the issuing corporation's attempts to make contact. In other words, an ownership interest in a business entity, the certificate or other evidence of which is presumably in possession of the missing owner.

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