

# **Managing the Drug Fund and Sensitive Property and Evidence**

*Spring/Summer 2025*

# Managing the Drug Fund and Sensitive Property and Evidence

*Spring/Summer 2025*



## MTAS Consultants



**David Moore**

*Police Management Consultant*



**Jeff Stiles**

*Police Management Consultant*





## Quick Facts

- Established in 1949
- 50+ employees
- 10,000+ projects and activities per year
- 25,000+ hours of training per year
- Largest municipal government focused library collection in Tennessee

## MISSION

*We work with Tennessee municipalities to improve the lives of those they serve.*

## VISION

*Leading Tennessee municipalities to excellence in governance, innovation, and community engagement.*

## VALUES

*Connection • Integrity • Trust • Innovation • Excellence • Service*

# Services

## Consulting

*Management*

*Technical*

*Finance*

*Legal & Codes*

## Training

*Elected Officials*

*Continuing  
Municipal Education*

*CMFO*

*Leadership/  
Management*

## Research & Information Services

*Research,  
reference and  
survey services*

*MORe, MRLn*

## CTAS Consultants



**Clint Shrum**

*Criminal Justice Consultant*



**Derrick Woods**

*Criminal Justice Consultant*



## Helping Tennessee county government better serve its citizens

Created By Tennessee General Assembly in 1973  
T.C.A. § 49-9-402



### Vision

Being the leading service provider of technical assistance and training to county governments in Tennessee



### Mission

Promoting better county government through direct assistance to county officials and their associations



### Values

Customer Service • Integrity • Innovation • Creativity • Organizational Excellence

### Consulting Outreach

Improve Tennessee county services through prompt, efficient technical assistance.

### Training Outreach

Provide quality programs to enhance county officials' skills and performance.

### Information Outreach

Deliver timely, accurate, and relevant information to support county operations.

### Association and Governmental Agency Outreach

Partner with officials' associations and connect counties with government entities.



# Housekeeping

- ☐ Sign-in sheets
- ☐ Breaks
- ☐ Cell Phones
- ☐ Participate! Ask Questions!
- ☐ Introduce yourself
- ☐ Questions now?



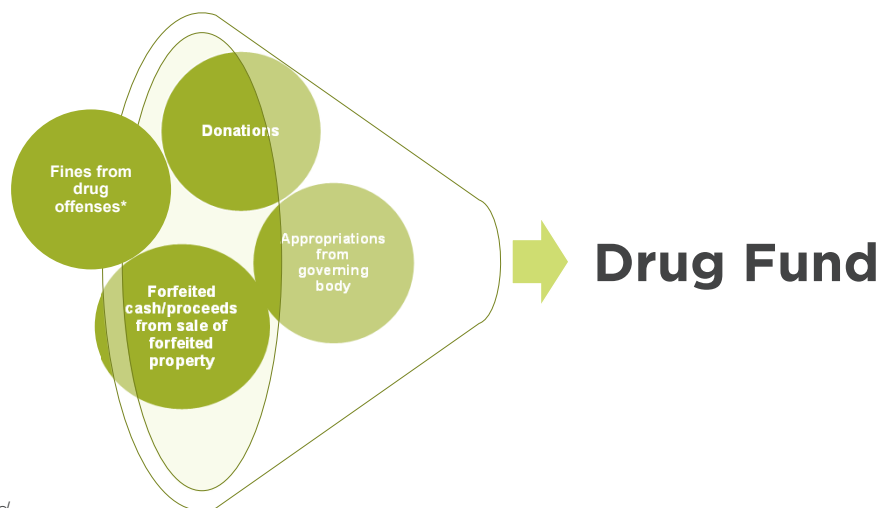
## Managing the Drug Fund

# The “Drug Fund”



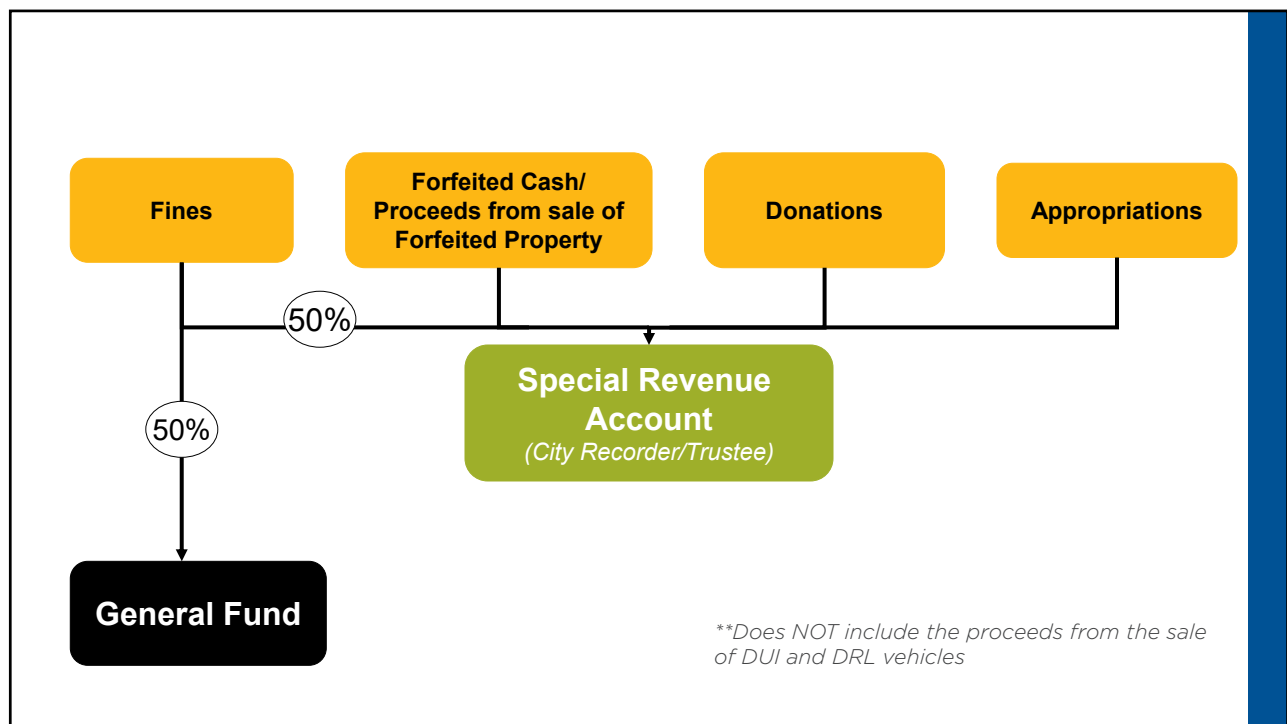
*Note: Confidential expenditures funded from a separate account (confidential account)*

## Sources of Revenue



*50% Drug Fund  
50% General Fund*





# Expenditures

# Legitimate Expenditures

*General Categories*

**Local Drug  
Treatment**

*\*Drug Court Treatment*

**Local Drug  
Education**

**Drug  
Enforcement**

*\* Operational/  
Confidential Expenses*

**General Law  
Enforcement  
Expenditures  
(non-recurring )**

**Automated  
Fingerprint  
Machines\*\***

*TCA § 39-17-420 (2023)*

## Drug Treatment

**Drug Court???**



## Drug Education

Drug Abuse Resistance Education (D.A.R.E.)

Drug awareness program materials

## Drug Enforcement

---

Purchase, maintenance, operation of vehicles

---

Telephone charges, including monthly cellular charges

---

Office supplies and equipment

---

Drug Identification Kits

---

Drug Enforcement Training

---

Drug dogs, maintenance, incl. feed/vet service





**General  
Drug Enforcement  
Expenditures**



**Confidential**

*Must follow city/county purchasing guidelines*

## **General Non-Recurring LE Expenditures**

**What are some examples of allowable  
general non-recurring expenditures?**

## General Law Enforcement Expenditures

*(non-recurring)*

Patrol or  
administrative  
vehicles

Blue lights,  
sirens, radios, and  
radar units

Video cameras,  
including body  
cameras

Handguns,  
shotguns, rifles,  
but not  
ammunition

*\* Not drug investigation related*

## General Law Enforcement Expenditures

*(non-recurring)*

Patrol Dogs

*\*non-drug dogs  
(not feed or veterinary services)*

*\*Treat dual trained dogs as drug dogs*

Fax machine  
or copier

Computers

Original software  
purchase

*not maintenance or  
upgrades*

*\* Not drug investigation related*

## General Law Enforcement Expenditures

*(Non-recurring)*

**Body Armor**

**Tasers**  
*(not refill cartridges)*

**Cell Phones**  
*(not monthly bills)*

*\* Not drug investigation related*

## Automated Fingerprint Machines

- Must set aside 20% of drug fund revenues until machine is purchased or have an agreement with another agency (having a machine).
- After purchase or agreement, may use 20% of revenue to pay for line charges and maintenance.



*This may become a year-to-year concern if TBI stops paying for the line charges.*





## **Sale of Drug Fund Purchased Equipment**

### **Residual Value**



# Donations

Charitable donations **must** follow state law

Donations from the drug fund **must** fit an allowable category!

Cities: TCA 6-54-111

Counties: TCA 5-9-109

## Remember these Categories?

Local Drug  
Treatment

*\*Drug Court Treatment*

Local Drug  
Education

Drug  
Enforcement

*\* Operational/  
Confidential Expenses*

General Law  
Enforcement  
Expenditures  
(non-recurring )

Automated  
Fingerprint  
Machines\*\*

*TCA § 39-17-420 (2023)*

# Donations, Generally Speaking

Must be 501(c)(4) or (6) organizations

Must provide financial reports, including audit, to government

Notice must be published in a newspaper of general circulation, specifying amount and purpose (must be an allowable expenditure from the drug fund)

Must be approved by governing body

## Donations



• Putting "Just say no to drugs," on a sports team jersey does not justify the expenditure

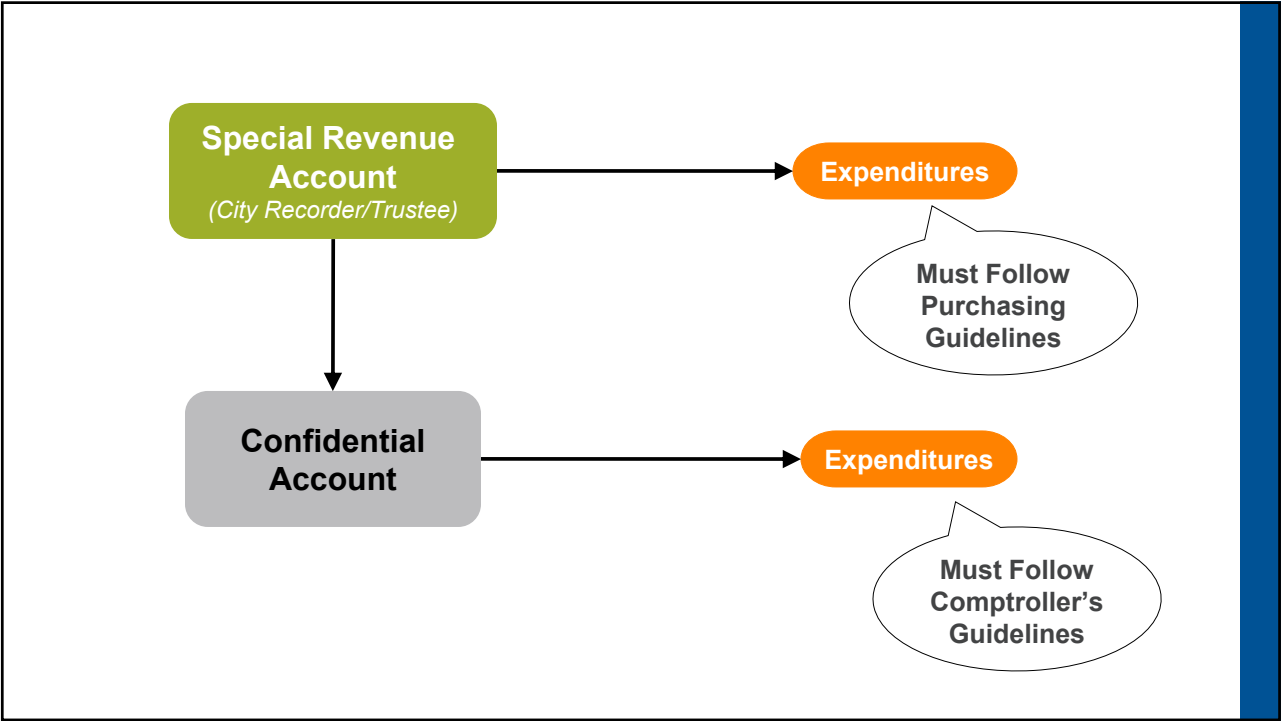
• Buying an ad in the high school yearbook is not drug education

Ask:  
"What is the true purpose of the expenditure?"

If it walks like a duck ...

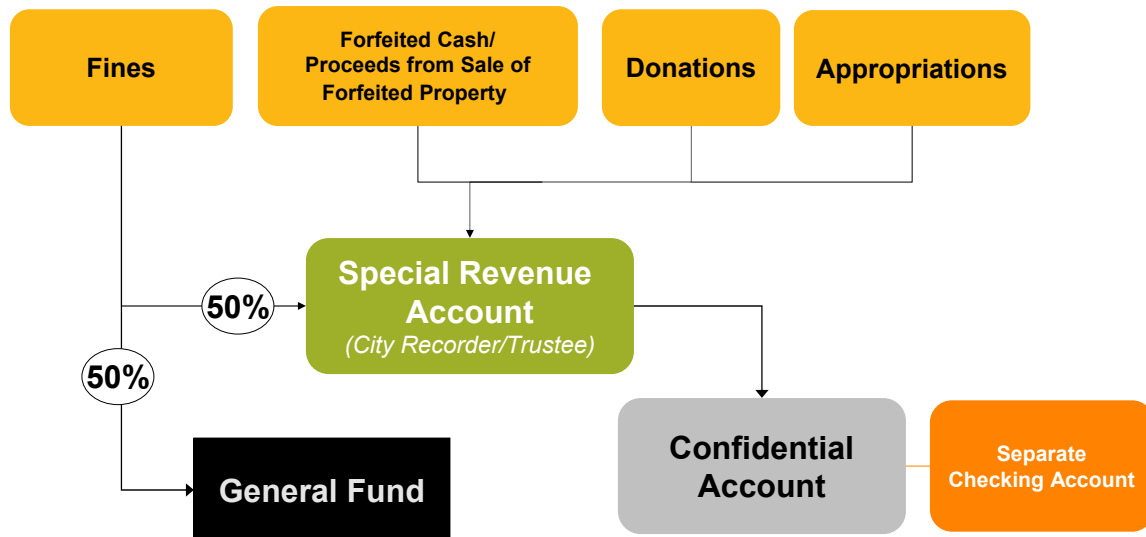
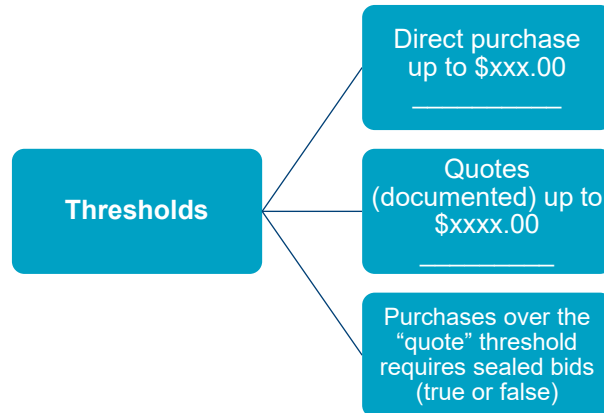


# Confidential Account

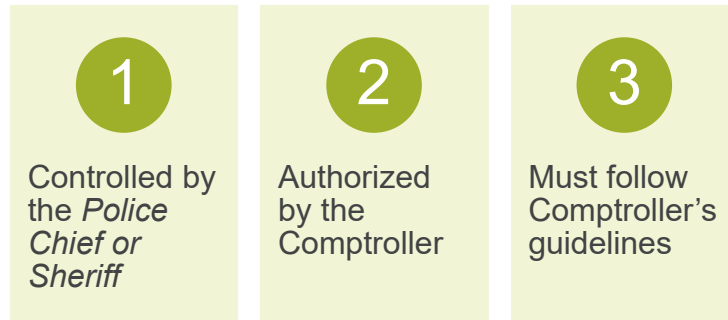


# Purchasing Guidelines

*Every city or county is different and depends on which purchasing law they adopted or any private acts impacting purchasing.*



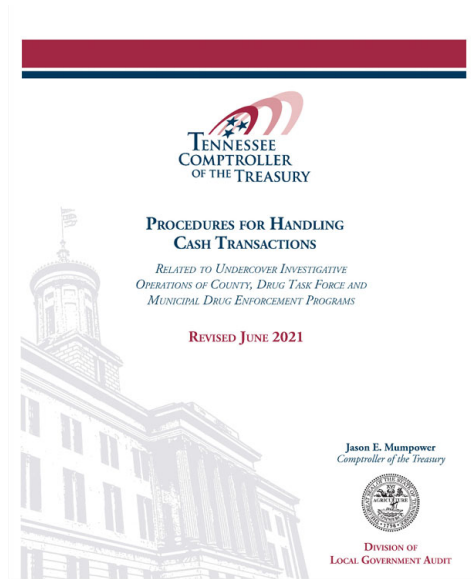
# Confidential Account



**Source:** *Procedures for Handling Cash Transactions Related to Undercover Investigative Operations of County and Municipal Drug Enforcement Programs*

# Confidential Expenditures

- ☐ Payments made to an informant
- ☐ Payments made to an undercover agent
- ☐ Money spent to purchase drugs as part of an investigation
- ☐ Gasoline or maintenance for *undercover* vehicle or informant's vehicle
- ☐ Hotel Rooms
- ☐ Cell phones minutes



[comptroller.tn.gov](http://comptroller.tn.gov)

## Separate Checking Account

Disbursed funds go into a ***separate checking account***  
(or ***daily cash journal***)



Chief or designee will write a check to the agent requesting funds



Canceled check for each disbursement

## Disbursement of Confidential Funds



Disbursements of confidential funds must be made by ***official prenumbered checks.***



All checks shall be signed by the chief law enforcement official or his designated employee and shall be made payable to the person receiving the funds, either the chief law enforcement official or an employee.



All employees handling cash transactions in any capacity shall have a fidelity bond to protect the law enforcement agency.

## Request for Funds – Confidential Operations



**Should not exceed  
a 45-day supply!**

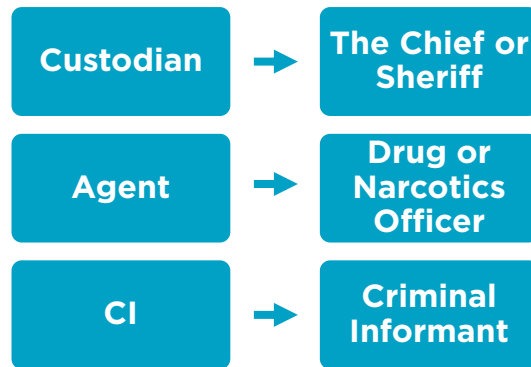
**TCA § 53-11-415. Special revenue fund.**

...Upon demand of the chief executive of the arresting law enforcement agency, the county or municipality shall pay to that agency the funds demanded for use in cash transactions related to undercover investigative drug enforcement operations. ... subject to the availability of funds..

**Documenting  
Confidential Funds**



## Key Roles



## Key Forms

### Appendix

<b>A. INTERNAL ACCOUNTING FORMS:</b>	Form
Explanation of Internal Accounting Forms	
Custodian's Activity Log for Confidential Funds	A-1
Transaction Record of Each Advance or Return of Confidential Funds	A-2
Agent's Activity Log for Confidential Funds	A-3
Accountability of Confidential Funds	A-4
Receipt for Payment to Informant	A-5
Summary Informant Payment Record	A-6
Confidential Fund Monthly Reconciliation Report	A-7
Seizure Fund Monthly Reconciliation Report	A-8
<b>B. REPORTS TO OTHER OFFICES AND AGENCIES:</b>	Report
Report of Confidential Funds Requested or Returned	R-1

Form R-2

**QUARTERLY REPORT OF CONFIDENTIAL FUNDS**

For the quarter ending \_\_\_\_\_, 20\_\_

TO: \_\_\_\_\_  
City Recorder/County Trustee

The following represents a true and accurate accounting of confidential funds held by the office  
of \_\_\_\_\_ for the quarter listed above.  
Police chief/Sheriff or designee

Balance of confidential funds, first of quarter \$ \_\_\_\_\_

Add: Funds received from City Recorder/County Trustee \$ \_\_\_\_\_

Less: Expenditures from confidential funds \$( \_\_\_\_\_ )

Less: Funds returned to City Recorder/County Trustee \$( \_\_\_\_\_ )

Balance of confidential funds, end of quarter \$ \_\_\_\_\_

Submitted by \_\_\_\_\_  
Chief law enforcement official

Title \_\_\_\_\_

Date \_\_\_\_\_

This report must be filed with the City Recorder/County Trustee within 30 days of the end of the  
months of September, December, March and June each year.

Original: Filed with City Recorder/County Trustee

Copy: Retained by the law enforcement agency



## Documentation

*There is documentation for every exchange of funds*

**Custodian**



- Exchanges from/to Recorder/Trustee (R-1)
- Exchanges to/from agents (A-2)

**Agent**



- Every exchange of funds, (A-4) and
- Receipt from informant (A-5), witnessed

# Audit Logs

*Balance Ledger*

**Custodian**



“Custodian’s Activity Log for Confidential Transactions” Balance sheet (A-1)

**Agent**



- “Agent’s Activity Log for all Confidential Funds” Balance Sheet (A-3)
- “Summary Informant Log”, for each informant (A-6)

**Special Revenue Fund**  
City Recorder/Trustee

R-1

A-2

**Confidential Account**  
Chief/Sheriff/Custodian

**Cash**  
Agent

A-4

Transaction

A-4  
A-5

Informant

Form A-4  
Page \_\_\_\_ of \_\_\_\_

ACCOUNTABILITY OF CONFIDENTIAL FUNDS - FUNDS EXPENDED

Transaction # \_\_\_\_\_

Case File # \_\_\_\_\_ Date Opened \_\_\_\_\_

**EVIDENCE**

Type and Quantity \_\_\_\_\_  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

**UNDERCOVER MOTOR VEHICLE**

Gasoline and Oil:  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_  
Station \_\_\_\_\_ Amount Spent \_\_\_\_\_  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_  
Station \_\_\_\_\_ Amount Spent \_\_\_\_\_

**INFORMANT EXPENSES**

Code Name \_\_\_\_\_  
CI# \_\_\_\_\_  
Date \_\_\_\_\_ Receipt Yes \_\_\_ No \_\_\_ Amount \_\_\_\_\_

**MISCELLANEOUS**

Explanation \_\_\_\_\_  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_  
Explanation \_\_\_\_\_  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_  
Explanation \_\_\_\_\_  
Date \_\_\_\_\_ Amount Spent \_\_\_\_\_


Total Spent on Page \_\_\_\_\_

I certify that the above expenditures are true and correct.

\_\_\_\_\_  
Agent's Signature                      Date

Original Filed with Fund Custodian  
Copy Retained by Agent

Form A-5

  
RECEIPT FOR PAYMENT TO INFORMANT

A. Case or Reference # \_\_\_\_\_ Date \_\_\_\_\_

I hereby acknowledge receipt of \$ \_\_\_\_\_ (words: \_\_\_\_\_)  
paid to me by \_\_\_\_\_ for consideration of ☐ information and/or  
☐ services as follows: \_\_\_\_\_

B. Section B is to be filled out when funds are advanced to informant for future purchases.

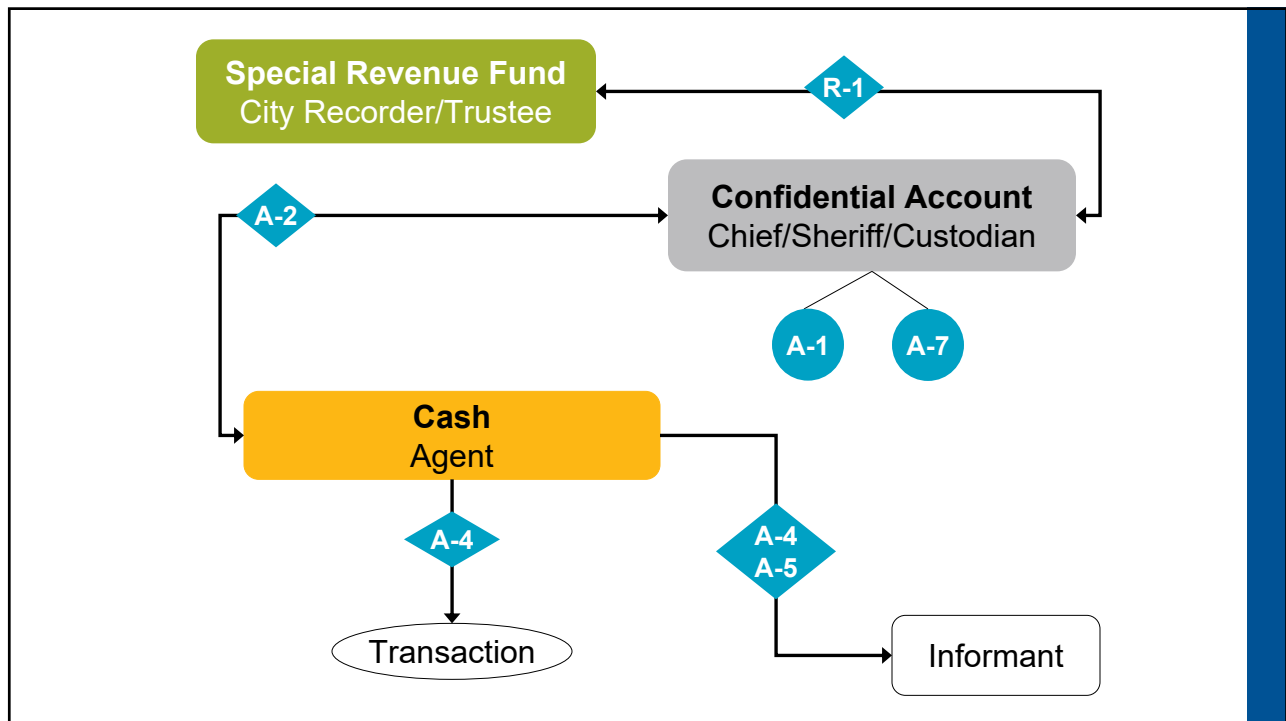
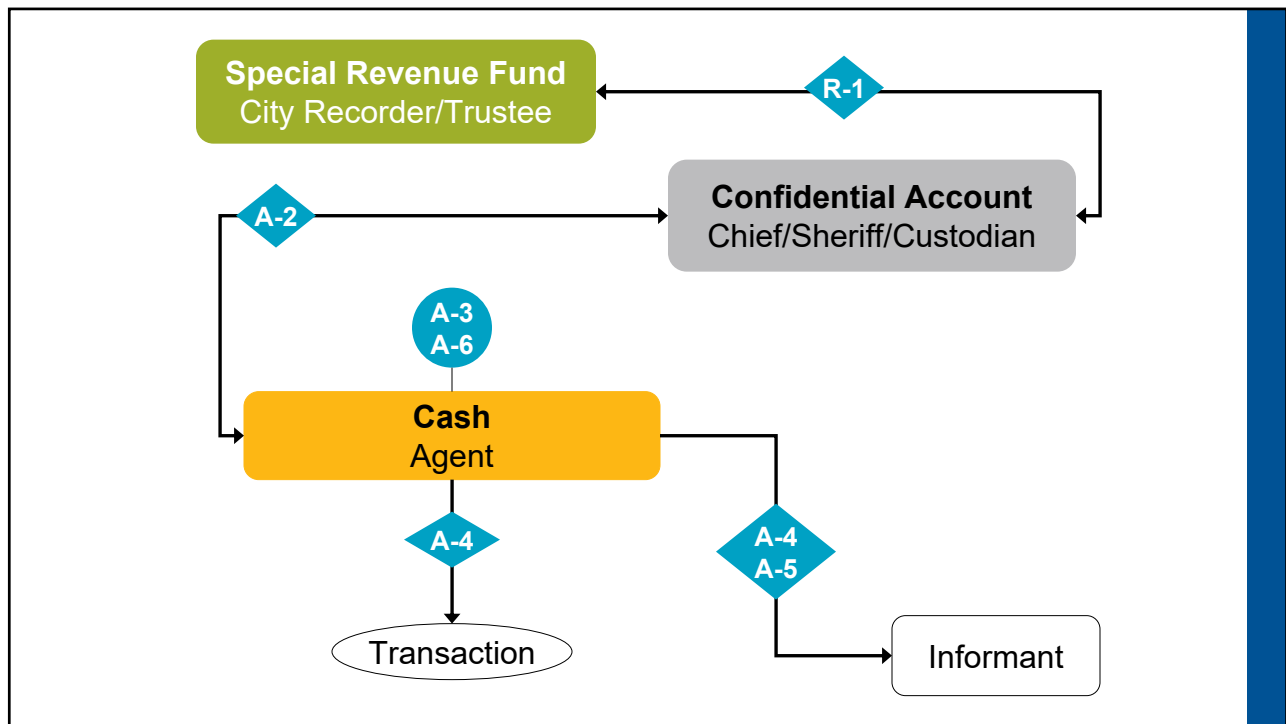
It is understood that this money is to be expended by me only for the purchase, as evidence, of controlled substances. If no such purchase is made, or if such a purchase is made for less than the total sum furnished to me, before (date: \_\_\_\_\_) (time: \_\_\_\_\_), I will forthwith refund the sum so furnished or the balance thereof, as the case may be, to the above-named officer of the (agency name: \_\_\_\_\_) at any time. I will forthwith refund to him or her the total amount of any sum thus furnished to me that has not yet been expended by me for the purchase, as evidence, of controlled substances. Furthermore, it is understood that this money is the property of (city/county: \_\_\_\_\_) and that misuse or conversion of the same to my personal use will render me liable to prosecution.

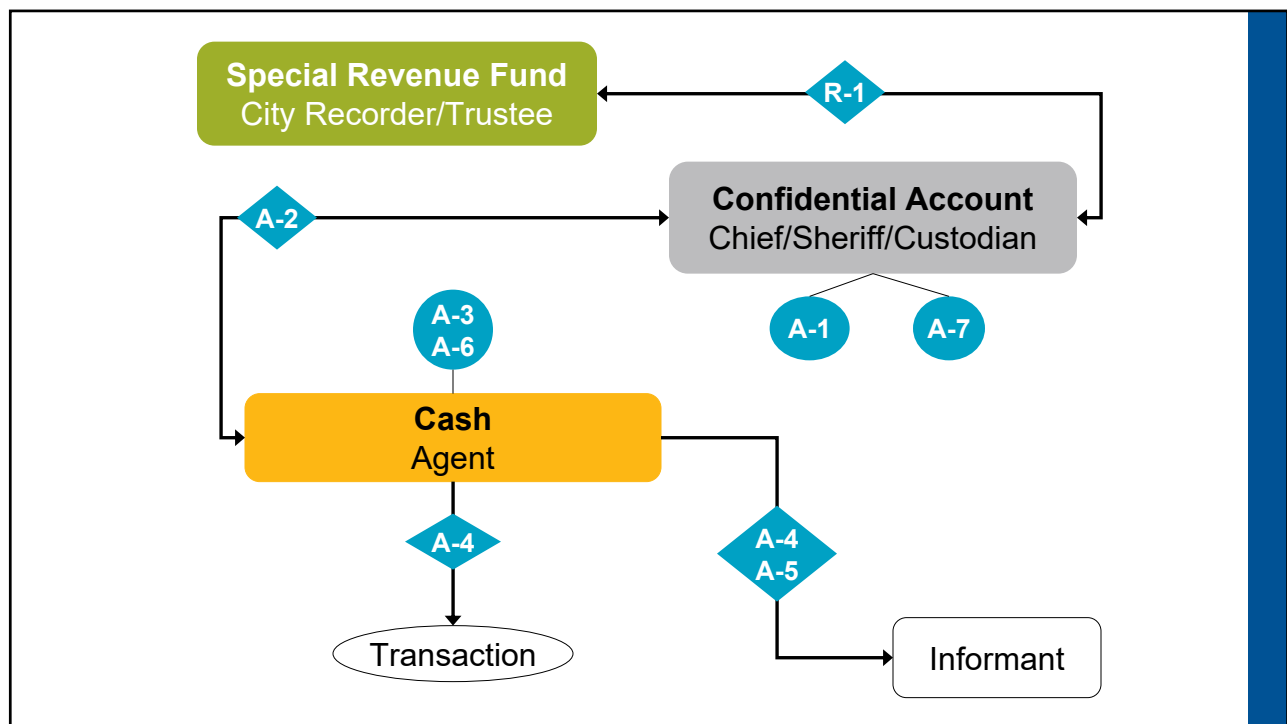
C. Officer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Payee (Code name or number) \_\_\_\_\_  
Date/Time \_\_\_\_\_

Witness's Signature \_\_\_\_\_ Date \_\_\_\_\_

Original Filed with Fund Custodian  
Copy Retained by Agent





## Internal Audits

- ☐ We recommend cooperative “spot audits”
- ☐ Spot audits catch the “uh oh’s” before they become “oh, crap’s”
- ☐ Look for the required documentation for each transaction
- ☐ Check to see that agents have ALL cash not documented as having been spent
- ☐ Regular and scheduled





## Let's Discuss Informants



This Photo by Unknown Author is licensed under CC BY-NC-ND

## Managing Informants

*Do you have these in place?*

- ☐ Criminal history for all informants? Update?
- ☐ Command approval?
- ☐ Documentation of informant activity history?
- ☐ Correlate informant activity to arrests and convictions?



## Informant Information



Remember, an auditor can demand to see the informant file to verify that an informant does exist.

Unlikely to happen in an annual audit, but more likely during an investigative audit.



## Managing Sensitive Property and Evidence

# Authority

State law authorizes the comptroller's office to promulgate rules for municipal and county processes.

Maintain the public's confidence.

The law requires counties and municipalities to meet compliance standards.

Not restricted to financial matters, includes processes.

# Property and Evidence

- ☐ Secure property and evidence storage facility
- ☐ Procedures for property and evidence: Institutional Control
  - *Evidence that you follow the procedures*
  - *Officers store stuff in personal locker?*
- ☐ Annual inventory of sensitive items
- ☐ Short term storage?

# Secure Storage Facilities

## Structure and Access

- Door
- Ceiling
- Passthrough Access
- Climate Control



# Access Control

## *Authorized Persons*

PROPERTY ROOM ACCESS LOG					
Entry into the property room shall be limited for official business only. Entry into the room shall be documented by any person entering the room, including the purpose for the entry. Failure to comply with this order may result in disciplinary action. Chief of Police					
Date/Time In	Name / Serial Number	Signature	Date / Time Out	Reason for Entry Case Number	Accompanied By

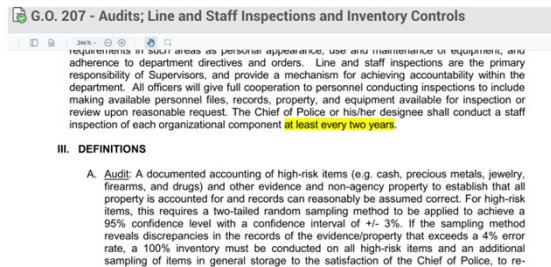
## *Audit Systems*

ALABAMA NEWS

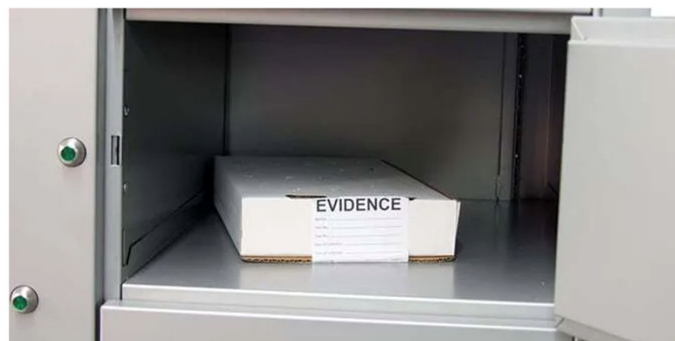
**Preliminary results of Hanceville PD audit shows missing drugs, undocumented guns**

# Procedures

- ❑ What comes in and what goes out
- ❑ Logging Systems - (bar code?)
- ❑ Audit/Accounting - Annual Inventory (Accreditation)



## Short-Term Storage





**On a Budget?**



**When  
Budget Allows**



# Please Don't Do This!

## Lessons Learned

### RESULTS OF INVESTIGATION

#### 1. THE FORMER POLICE CHIEF FAILED TO ADMINISTER PROPER OVERSIGHT OF EVIDENCE

Prior to the former chief providing the new chief with a hand-written inventory of evidence on September 29, 2023, the former chief did not maintain any known evidence log during the period reviewed. Therefore, investigators were unable to determine if the former chief properly handled all property seized as evidence. Investigators noted the following questionable evidence discrepancies and deficiencies:

##### B. Insufficient Evidence Organization and Missing Evidence

Investigators noted that the department's evidence storage space in July 2024 was in disarray (Refer to Exhibit 1). The former chief's handwritten inventory from September 29, 2023, did not reconcile to all actual evidence in the department's evidence room, and the former chief's inventory and evidence packaging lacked sufficient information. In some instances, evidence envelopes had been opened and evidence was missing. According to the former chief, all evidence listed on his September 23, 2023, hand-written evidence inventory was physically present in the evidence room when he left employment with the department. Due to the lack of evidence records and insufficient evidence organization, investigators could not accurately determine the amount of missing evidence.

##### A. No Written Evidence Policy

The former chief did not adopt or implement a comprehensive written policy regarding the accounting of the department's property seized as evidence, including the use of a perpetual inventory log. A perpetual inventory should be maintained for all evidence, and, at a minimum, should include the following: date received, defendant's name, incident or case number, description, location, signature of individuals signing evidence in and out, and disposition. The failure to properly secure and account for evidence increases the risk of theft and loss without prompt detection and may jeopardize pending or potential judicial proceedings.





## Sensitive (Priority) Items

Cash

Firearms

Drugs

Vehicles



## Cash

- ☐ Unless required as evidence, ***do not keep cash.***
- ☐ Check with the local DA to determine the need to maintain cash as evidence (case by case basis).
- ☐ Deposit in a bank.
- ☐ If needed, the city/county can issue a check to return money.
- ☐ Absolutely, do not keep in drawer, trunk or locker.

# Cash

*All funds received by cities and counties must be deposited in the bank within **three (3) business days**.*

Cities: TCA 6-56-111(a)

Counties: TCA 5-8-207

# Interest Bearing Account

*Can you deposit seized money in an interest-bearing account?*

**Yes!**

## Sensitive (Priority) Items

Cash

Firearms

Drugs

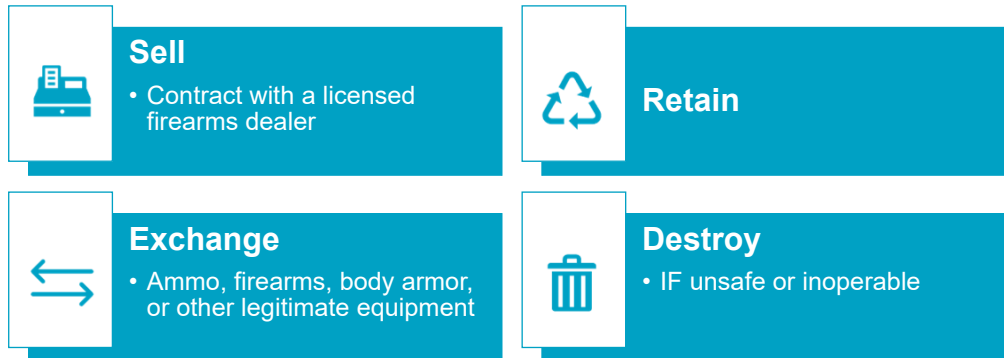
Vehicles



## Firearms

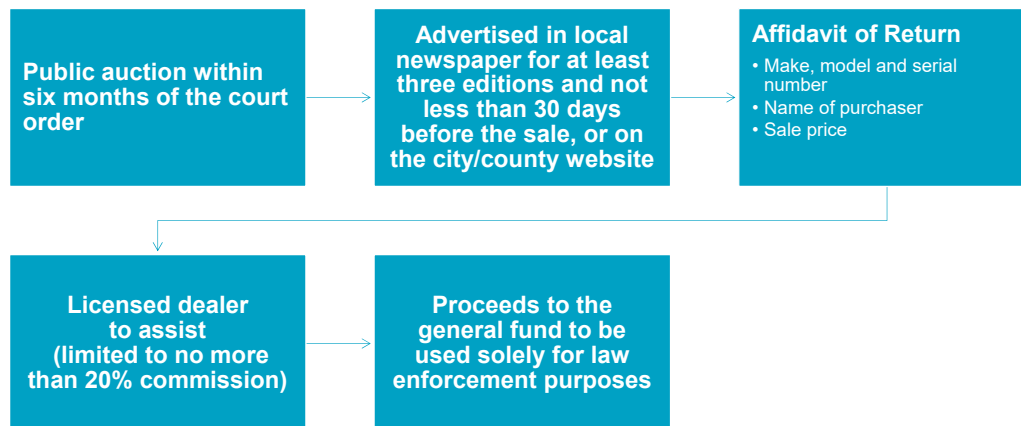
- ☐ TCA 39-17-1317 requires firearms that were held as evidence in a case or otherwise used or possessed illegally to be sold, exchanged or retained for LE purposes
- ☐ Also applies to abandoned and unclaimed firearms
- ☐ Pursuant to court order
- ☐ Action must take place between 60 and 180 days after the last legal proceeding involving the weapon

# Firearms

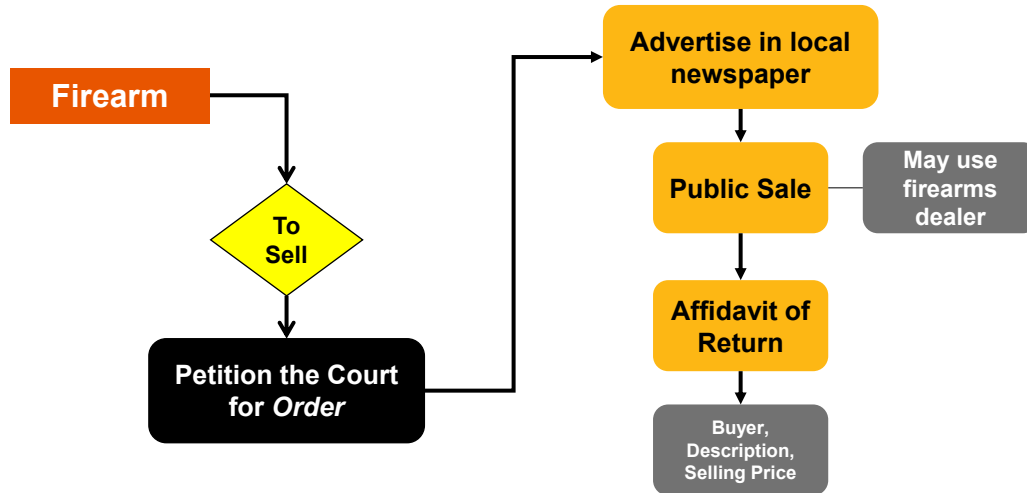


*\*\* All of this must be PURSUANT TO A COURT ORDER by a judge of a court of record with criminal jurisdiction.*

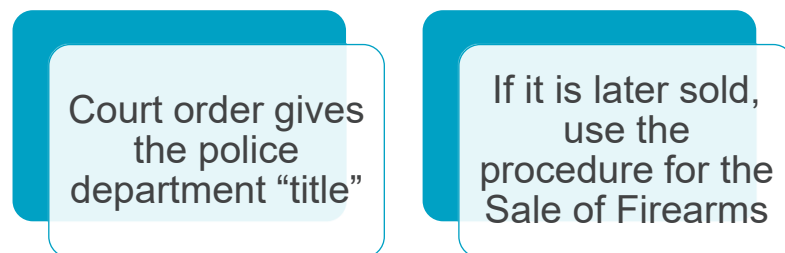
# Sale of Firearms



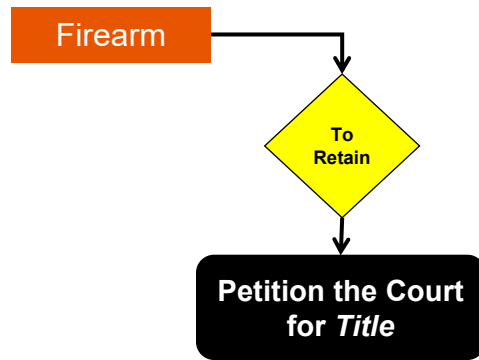
## To Sell Firearms



## Retain

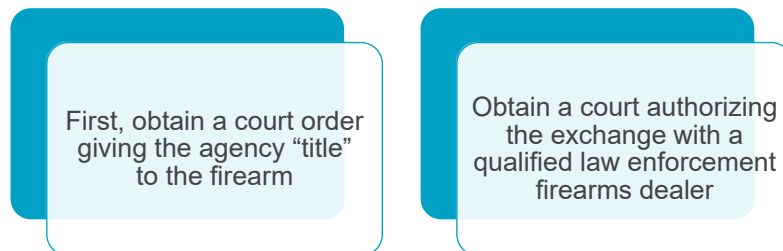


## Retain Firearms



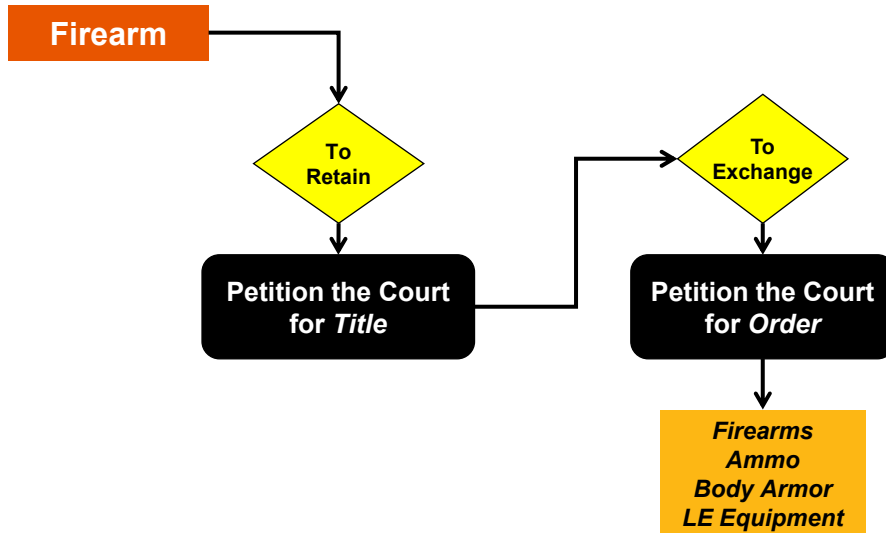
## Exchange

*Per TCA § 39-17-1317, an agency can exchange firearms previously titled to the department.*

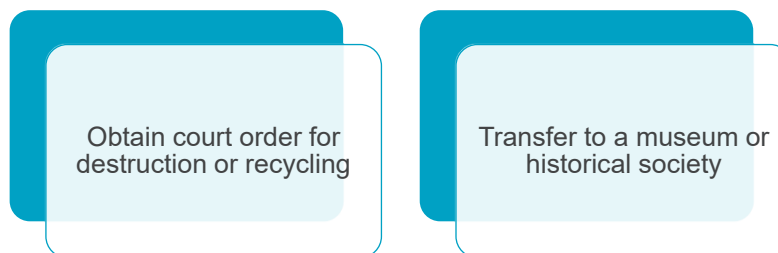


*\*Other firearms, ammunition, body armor, or equipment suitable for legitimate law enforcement purposes*

## Exchange Firearms

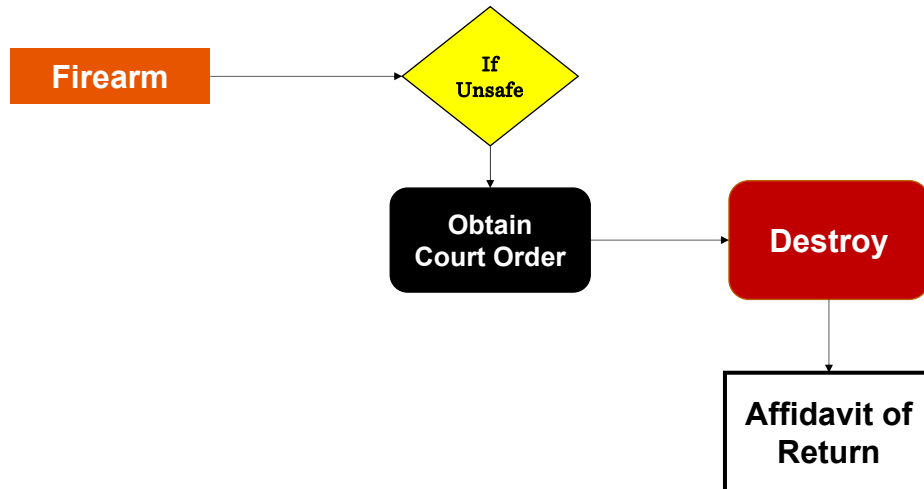


## Inoperable or Unsafe Firearms

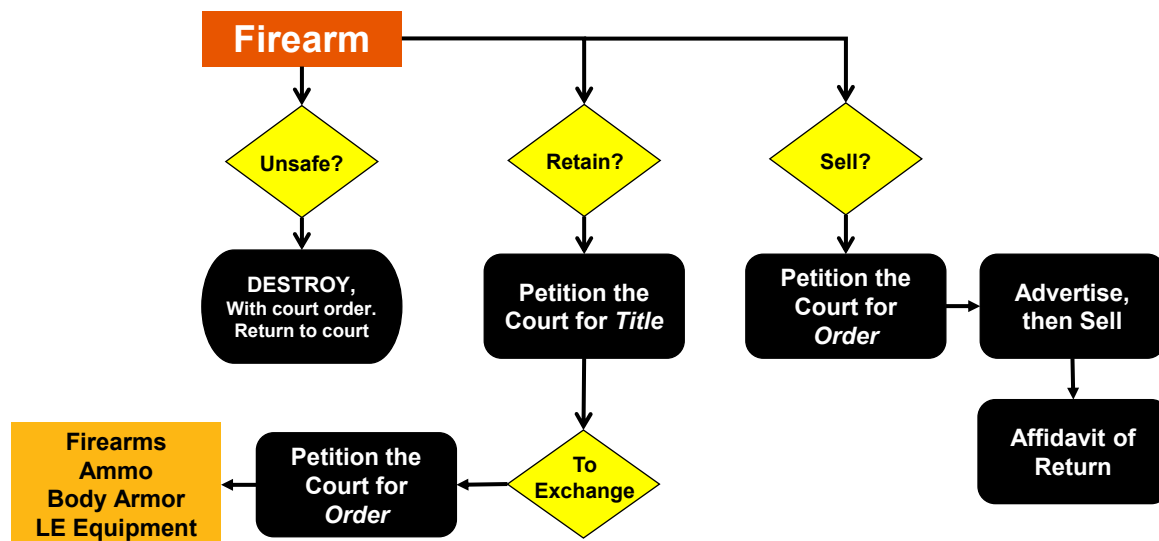




## Inoperable or Unsafe Firearms



## Firearms



## Sensitive (Priority) Items

Cash

Firearms

Drugs

Vehicles



## Drugs

TCA § 53-11-451 (k) requires the clerk of the court to inventory and dispose of drugs and paraphernalia at least annually after final adjudication

If the case is disposed of and the drugs are still in the possession of the police department, the duty rests with the law enforcement agency

This Photo by Unknown Author is licensed under CC BY

# Annual Requirements



**Create inventory at least annually**



**Produce destruction list for petition**

- Name of Case
- Case Number
- Date When Property was Used

## Drugs

- ☐ Drugs are contraband and are to be destroyed *after adjudication*.
- ☐ Never keep more than one year beyond adjudication.

## What about for Training our Drug Dog?

**TCA § 53-14-104. License -- Required -- Application -- Fees.**

(a) No person shall manufacture, obtain, possess, administer or dispense a legend drug, controlled substance or controlled substance analogue for the purpose of scientific research, chemical analysis, **instruction or training of detection animals without having first secured a license to do so from the director.**



*This Photo by Unknown Author is licensed under CC BY-ND*

<https://apps.dea diversion.usdoj.gov/webforms2/spring/main?execution=e1s1>

<https://www.tn.gov/content/dam/tn/health/documents/Doghandler.01-2017.pdf>

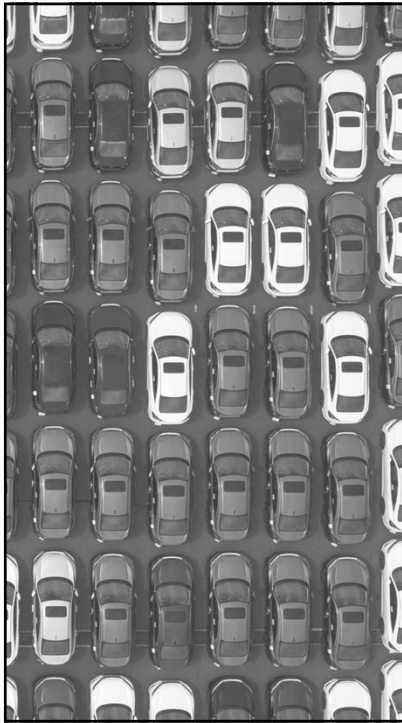
**Sensitive  
(Priority)  
Items**

Cash

Firearms

Drugs

Vehicles



## Vehicles

- ☐ Treat the same as any other evidence
- ☐ Annual inventory of vehicles
- ☐ Keep secure
- ☐ In-house security
- ☐ Vendor lot
- ☐ **Maintain adequate inventory records**
- ☐ Ensure that proceeds go where they are supposed to!
- ☐ Do you have a daily storage fee for your lot?



## DUI/DRL Vehicles

- ☐ Second or subsequent offense of DUI
- ☐ Driving on Revoked Drivers License when license was revoked for DUI
- ☐ **ALL PROCEEDS** from sale go to state department of mental health, except for *direct expenses associated with seizing, towing, storing, etc.*

## Where to Send Proceeds

**Mail check payable to:**

Tennessee Department of Mental Health and Substance Abuse Services  
Division of Fiscal Services  
6th Floor, Andrew Jackson Building  
500 Deaderick Street  
Nashville, TN 37243

TENNESSEE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES  
 Division of Fiscal Services

6th Floor, Andrew Jackson Building  
500 Deaderick Street  
Nashville, TN 37243

## REPORT OF SALE OF FORFEITED VEHICLES UNDER T.C.A. § 40-30-211

LOCAL GOVERNMENT \_\_\_\_\_ COUNTY \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ PHONE NO. \_\_\_\_\_

[illegible]

\* Documentation must be maintained to support all authorized expenses incurred. These expenses are subject to audit and review by the Comptroller of the Treasury.

\*\* Net proceeds shall be reported to the Department of Mental Health and Substance Abuse Services by June 30 of each year.

# Conveyance Seizures

**Administrative  
Process**

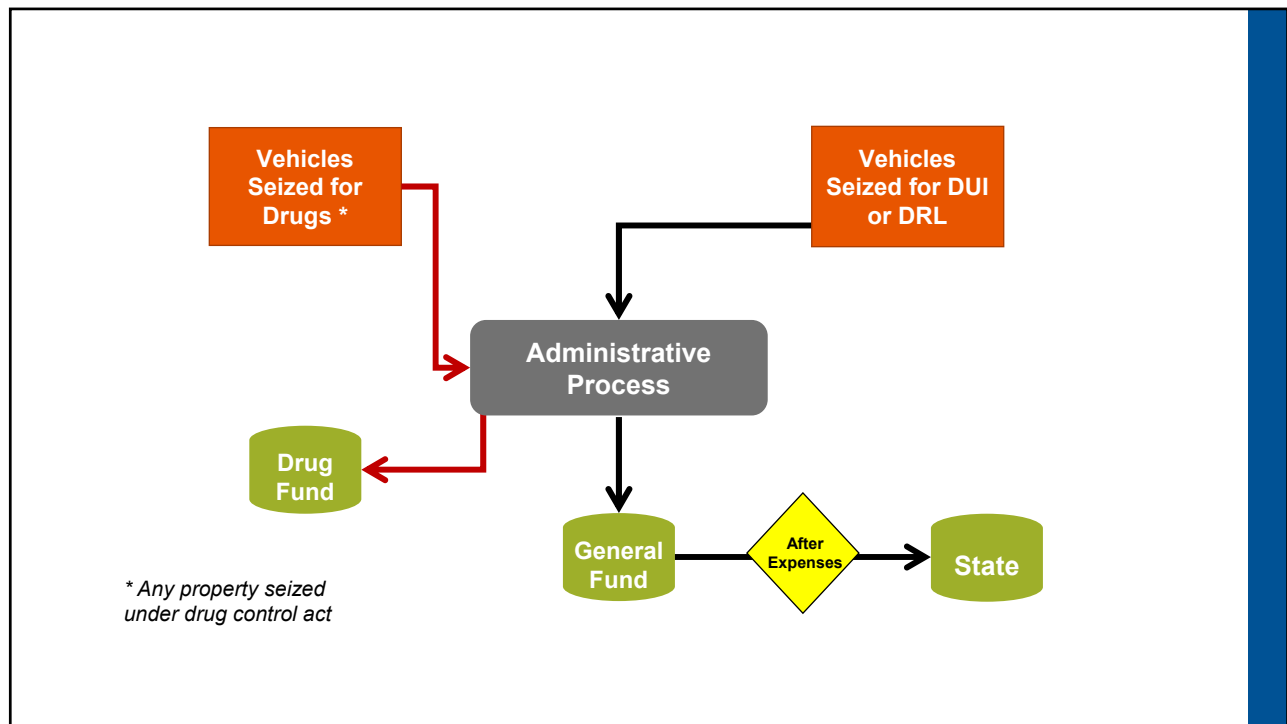


**Judicial  
Process**

## Administrative Process

- ☐ **Drugs**
  - *Proceeds to Drug Fund*
- ☐ **Sexual Exploitation of Children**
  - TCA 39-17-1008*
- ☐ **DUI/DRL**
- ☐ **Arson**
- ☐ **“Trademark Licensing” laws**
- ☐ **Bootleg Whiskey**
  - *Proceeds split with ABC*
- ☐ **Untaxed tobacco**

*Title 40, Chapter, 33, Part 2*



## Judicial Process

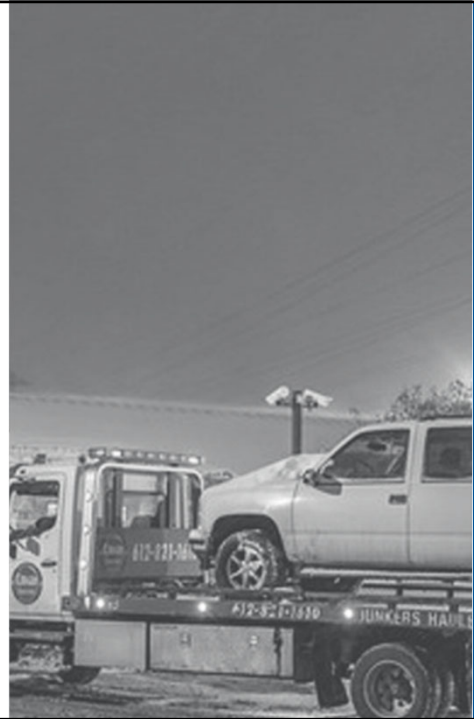
- ☐ **Judicial Process (40-33-101)**
  - Sexual offenses
  - Robbery
  - Felony Theft
  - Burglary
- ☐ **Must be included in the indictment**
- ☐ **Requires Conviction**
- ☐ **Judge orders forfeiture**

*Title 40, Chapter 33, Part 1*



## Can You Use the Cars?

- ☐ Vehicles seized for drug violations **OR** for DUI/DRL and forfeited to the city/county may be used for **DRUG ENFORCEMENT** purposes
- ☐ Must be sold after five years.
- ☐ Vehicles forfeited under a judicial process can be used for **ANY LAW ENFORCEMENT PURPOSE**



## Other Items

Lost or  
Abandoned  
Property

Beer/  
Alcohol

## Lost or Abandoned Property

Sheriff Departments  
follow TCA § 8-8-501

Police Departments  
subject to Uniform Disposition of  
Unclaimed Property Act for cash

## TCA § 8-8-501 (Sheriffs)

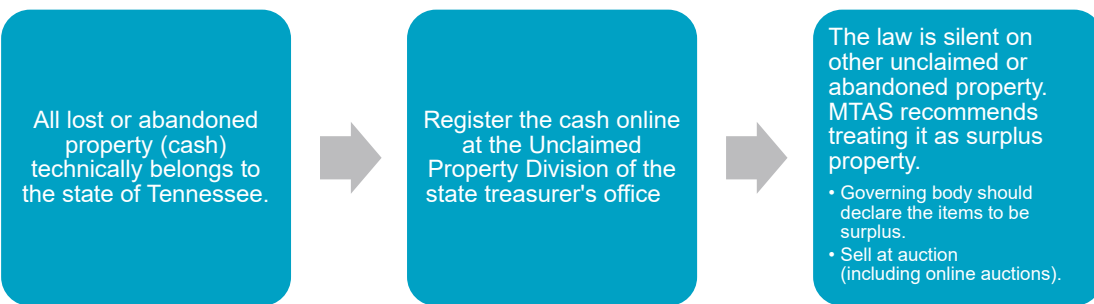
Dispose of all abandoned, stolen and/or recovered or worthless  
property which remain unclaimed

By confiscation, abandonment or by being stolen and recovered

Due diligence to return to rightful owner

Wait 90 days from date of acquisition

# Uniform Disposition of Unclaimed Property Act



## Unclaimed Property Submissions

State of Tennessee Department of Treasury



### I. Introduction to the Program

- A. The Tennessee Treasury Department's Unclaimed Property Division (the "Division") is responsible for collecting, safeguarding, and reuniting unclaimed property with its rightful owner(s), which typically consists of either a person or business. Unclaimed property is an asset to the company holding the property and is deemed unclaimed when there has been no activity within that account for a specified period of time per the Revised Uniform Unclaimed Property Act, Tenn. Code Ann. 66-29-101 *et seq.*

### II. Law Enforcement Agencies that Report Lost and Found Cash

- A. In the event that persons surrender lost and found money to a law enforcement agency, and there is owner information associated with it (e.g., a wallet with an ID and cash in it), then the agency must follow the normal procedures for reporting Unclaimed Property pursuant to the Revised Uniform Unclaimed Property Act, Tenn. Code Ann. 66-29-101 *et seq.*
- B. In the event that persons surrender lost and found money to a law enforcement agency, and there is no owner contact information associated with the property (e.g. cash only), the agency is permitted to hold the property for a pre-determined period of time to see whether the owner comes forward to claim it. This pre-determined period of time is not statutorily defined in the Tennessee Code Annotated, but agencies may have their own internal policies.
- C. If, after the agency's pre-determined period of time for holding the property has expired, and no owner has come forward to claim it, and there is no owner contact information associated with the property, the agency may disburse the money to the finder and is not under obligation to report the money to the Treasurer as unclaimed property.

<https://treasury.tn.gov/Unclaimed-Property/Report-Unclaimed-Property/Process-at-a-Glance>

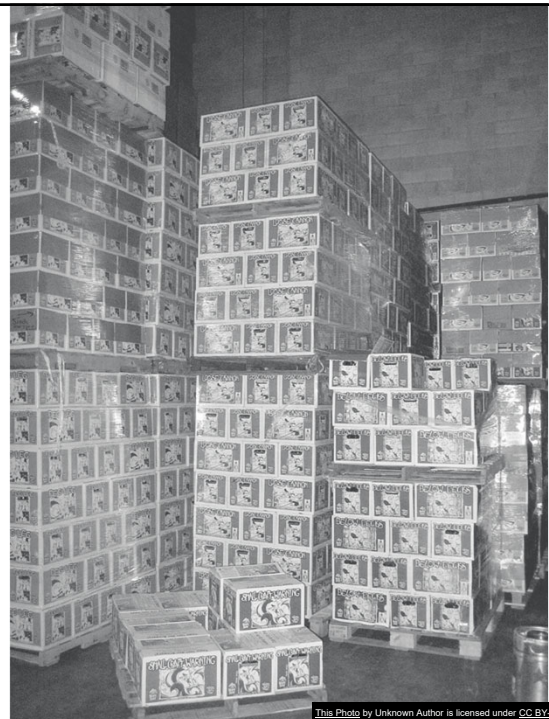
## Other Items

Lost or  
Abandoned  
Property

Beer/  
Alcohol

## Beer and Alcohol

- ❑ Unopened beer/alcohol to be turned over to the state Alcohol Beverage Commission (*TCA § 57-9-115*)
- ❑ State returns a percentage of proceeds from the public auction of beverages to local government
- ❑ After adjudication, dispose of open containers
- ❑ Class C misdemeanor



This Photo by Unknown Author is licensed under CC BY-SA-NC

# Evidence

- ❑ **Rules of Evidence, Rule 901**

- Chain of custody maintained and documented

- ❑ **Aside from general rules of evidence we expect as police officers**

- TCA § 9-2-102 requires cities and counties to follow rules of the Comptroller's office
- Internal Control and Compliance Manual

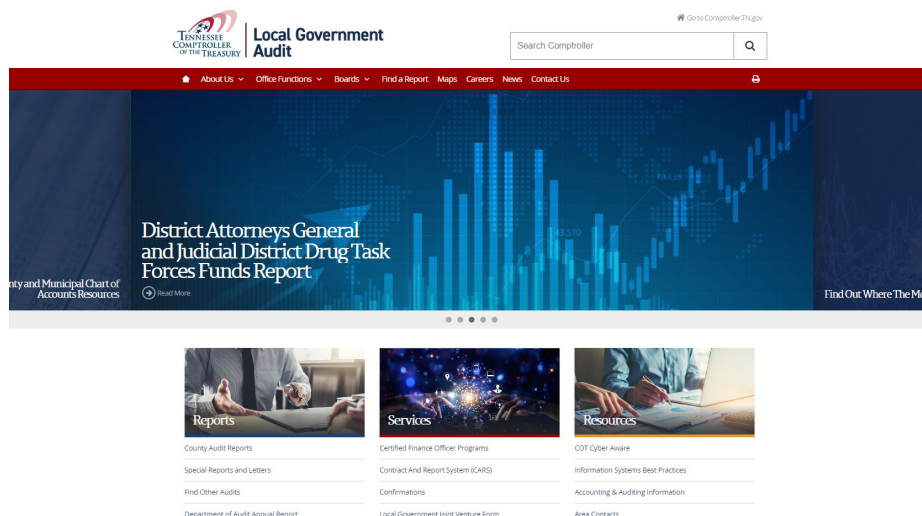
- ❑ **Governmental Accounting, Auditing, and Financial Reporting**

- ❑ **Code of State Regulations** (Secretary of State, effective rules)

# Resources

# Resources

- ❑ Copy of today's presentation
- ❑ [MTAS Website](#)
- ❑ [MTAS Drug Fund Information](#)
- ❑ [CTAS Drug Fund Manual](#)
- ❑ [Confidential Drug Funds Manual](#) – TN Comptroller
- ❑ Report Sale of Forfeited Vehicles – TN Dept of Mental Health
- ❑ [Unclaimed Property Reporting](#) – TN Dept of Treasury





INSTITUTE *for* PUBLIC SERVICE

*We work with Tennessee municipalities  
to improve the lives of those they serve.*



[mtas.tennessee.edu](http://mtas.tennessee.edu)



@utmtas



@ut\_mtas



@utmtas



## Questions?

[www.ctas.tennessee.edu](http://www.ctas.tennessee.edu) | (615) 532-3555

CTAS Electronic Library <https://www.ctas.tennessee.edu/eli>



<http://www.facebook.com/utctas>



<http://www.linkedin.com/company/utctas>



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE





## PROCEDURES FOR HANDLING CASH TRANSACTIONS

*RELATED TO UNDERCOVER INVESTIGATIVE  
OPERATIONS OF COUNTY, DRUG TASK FORCE AND  
MUNICIPAL DRUG ENFORCEMENT PROGRAMS*

**REVISED JUNE 2021**

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**



PROCEDURES FOR HANDLING CASH TRANSACTIONS  
RELATED TO UNDERCOVER INVESTIGATIVE OPERATIONS  
OF COUNTY AND MUNICIPAL DRUG ENFORCEMENT PROGRAMS

CONTENTS

	Page
<u>Section</u>	
I. BACKGROUND	3
II. PROCEDURES FOR HANDLING CASH TRANSACTIONS	3-5
<u>Appendix</u>	
A. INTERNAL ACCOUNTING FORMS:	Form
Explanation of Internal Accounting Forms	
Custodian's Activity Log for Confidential Funds	A-1
Transaction Record of Each Advance or Return of Confidential Funds	A-2
Agent's Activity Log for Confidential Funds	A-3
Accountability of Confidential Funds	A-4
Receipt for Payment to Informant	A-5
Summary Informant Payment Record	A-6
Confidential Fund Monthly Reconciliation Report	A-7
Seizure Fund Monthly Reconciliation Report	A-8
	Report
B. REPORTS TO OTHER OFFICES AND AGENCIES:	
Report of Confidential Funds Requested or Returned	R-1

## SECTION I

### BACKGROUND

Local drug funds in county and municipal governments have been established pursuant to Section 53-11-415, *Tennessee Code Annotated (TCA)*. That statute provides for the county trustee or city recorder to set up a special revenue fund (or special account in any county having a metropolitan form of government and a population in excess of 500,000) for all funds received under provisions of Section 39-17-420, *TCA*. These funds include grants, donations, local appropriations, fines, any cash that is forfeited to the county or city, and proceeds from the sale of any forfeited property. The trustee or recorder will, upon demand from the chief executive of the arresting law enforcement agency, pay to that agency such demanded funds for use in the drug enforcement program. The law enforcement agency will make an accounting to the county trustee or city recorder of all expenditures from such funds.

Section 39-17-420(e), *TCA*, provides that:

“The Comptroller of the Treasury and the Department of Finance and Administration, in consultation with the Tennessee Bureau of Investigation, the Tennessee Sheriff’s Association and the Tennessee Association of Chiefs of Police shall develop procedures and guidelines for handling cash transactions related to undercover investigative operations of county or municipal drug enforcement programs. The procedures and guidelines shall be applicable to the disbursement of proceeds from the drug enforcement program that are acquired on and after January 1, 1991, or such earlier date as may be adopted.”

These procedures were prepared in compliance with directives of the aforementioned statute.

## SECTION II

### PROCEDURES FOR HANDLING CASH TRANSACTIONS

#### 1. GENERAL APPLICABILITY

The following guidelines shall apply only to those transactions which for confidentiality reasons must be disbursed in cash for undercover drug investigations by the law enforcement agency. Payments from local drug funds for all nonconfidential expenses should be made consistent with statutes, policies and procedures governing the payment of normal operating expenses of the sheriff or police department. These are minimum guidelines. The chief law enforcement official may require additional guidelines.

#### 2. TRAINING

All sheriffs, chiefs of police, and their agents who will be involved in the handling of confidential funds shall review and be familiar with these guidelines. Documentation of this review shall be maintained in the law enforcement agency’s office.

3. REQUEST FOR FUNDS FOR CONFIDENTIAL OPERATIONS

The chief law enforcement official shall account for confidential funds in a separate column of the cash journal. As an alternative, the confidential funds may be handled through a separate bank account. The chief law enforcement official for cities shall account for these funds in accordance with provisions of the city charter. An initial advance should be requested from the county trustee/city recorder to establish the account. The amount at which the account is established will be determined by the chief law enforcement official but should not exceed the amount of funds expected to be used within 45 days.

A form titled "Report of Confidential Funds Requested or Returned" (Report R-1) has been provided with these procedures and must be submitted with each request for funds from the county trustee/city recorder. This report shall be signed by the chief law enforcement official.

4. RECEIPT AND DEPOSIT OF CONFIDENTIAL FUNDS

Prenumbered receipts shall be issued for all funds received for undercover investigations (funds transferred from the county trustee/city recorder and funds returned on settlement of cash advances made for undercover investigations). Also, these funds shall be deposited to the bank account.

5. DISBURSEMENT OF CONFIDENTIAL FUNDS

Disbursements of confidential funds must be made by official prenumbered checks. All checks shall be signed by the chief law enforcement official or his designated employee and shall be made payable to the person receiving the funds, either the chief law enforcement official or an employee. All employees handling cash transactions in any capacity shall have a fidelity bond or insurance policy (TCA 8-19-101 allows an insurance policy to substitute for the individual bonds of public officials and employees) to protect the law enforcement agency.

6. INTERNAL ACCOUNTING FORMS

Several internal accounting forms for use in confidential operations are provided with these procedures. Copies of the accounting forms and explanations of the forms are presented in Appendix A of this document. All applicable forms must be used to account for confidential funds transactions.

7. PURCHASE OF EQUIPMENT AND SUPPLIES FROM CONFIDENTIAL FUNDS

The purchase of equipment and supplies should normally be made through the county/city purchasing process. However, if confidentiality is necessary for such purchase, then documentation shall be filed in support of the disbursement. Documentation shall include invoices and price quotes. A memorandum explaining the justification for making the purchase from confidential funds shall be prepared. This memorandum shall be signed by the chief law enforcement officer.

8. MAINTENANCE OF INFORMANT FILES

A separate file shall be established for each informant. A Summary Informant Payment Record (See Form A-6 in Appendix A) shall be kept in the file and made available for audit. Other information in the file is normally confidential.

9. USE OF FUNDS BY SECONDARY AGENCY

Contracts or other written acknowledgment of receipt of funds and acceptance of responsibility shall be obtained by the law enforcement agency for any drug control funds remitted to another agency. These agreements shall be signed by the chief law enforcement official (or their designees) of both the agency receiving the funds and the agency providing the funds. Copies of all such agreements shall be retained for audit.

10. AVAILABILITY OF RECORDS AND REPORTS FOR AUDIT

All books and records involving confidential funds, with the exception of informant files, tapes involving undercover operations and evidence, shall be subject to inspection and audit by the Comptroller of the Treasury or his authorized representative. This right to inspection and audit of all books and records is applicable to an independent public accountant performing an audit under a contract approved by the Comptroller of the Treasury.

11. UNACCOUNTED CONFIDENTIAL FUNDS

Any confidential funds which are unaccounted must be immediately reported in writing to the district attorney general by the chief law enforcement official. A copy of the report should also be filed with the Comptroller of the Treasury, Division of Local Government Audit. The chief law enforcement official is responsible for initiating action to collect any unaccounted funds.

APPENDIX A

INTERNAL ACCOUNTING FORMS

## Explanation of Internal Accounting Forms

Internal accounting forms to document controls, procedures, and informant transactions are included in Appendix A and are discussed below. The administration and day-to-day operation of the confidential fund involve the use of several forms. Precisely how many forms are used will be determined by whether officers receive advances from the fund, whether informants are used and other factors. These forms are available for audit.

Form A-1      Custodian's Activity Log for Confidential Funds - is the custodian's key administrative tool. It is used for every transaction. The custodian uses the form to record payments into and out of the fund, to note the type of transaction, to provide key details about the transaction, and to maintain a running balance.

Form A-2      Transaction Record of Each Advance or Return of Confidential Funds - records the details about fund advances to agents and the return of advances by the agents to the fund custodian.

Form A-3      Agent's Activity Log for Confidential Funds - is the agent's primary administrative tool. It is used for every transaction. The agent uses the form to record the date and amount of every disbursement, the case it relates to, and the purpose. The agent also enters all funds received, which enables the agent to keep a running balance. This form should be turned in to the fund custodian at least monthly. Every entry on Form A-3 should be supported by either a Form A-2 or a Form A-4.

Form A-4      Accountability of Confidential Funds - provides documentation of agent expenses. There should be a separate Form A-4 completed for every expenditure transaction number listed on the Agent's Activity Log (Form A-3). For instance, a drug purchase may include both a payment to an informant and a payment for drug evidence.

Form A-5      Receipt for Payment to Informant - is a receipt to be signed by the officer, a witness, and the informant acknowledging a payment to him or her by the agency. This form should be completed every time funds are provided to an informant, such as using the informant to purchase drug evidence or as a payment for services.

Form A-6      Summary Informant Payment Record - is a record listing all payments to an informant. This record should be placed on top of the applicable informant file.

Form A-7      Confidential Fund Monthly Reconciliation Report - is used on a monthly basis to reconcile the fund's bank account or cash journal with the Custodian's Activity Log for Confidential Funds.

Form A-8      Seizure Fund Monthly Reconciliation Report - is used on a monthly basis to reconcile the fund's bank account with the seized funds held by the agency. This form is intended only for use by DTFs which have a seizure bank account. Counties and cities must deposit all seized funds with the county trustee or city recorder. Please note that seized funds should not be spent until awarded by the court or the Tennessee Department of Safety.

Form R-1      Report of Confidential Funds Requested or Returned - is used for each request or return of funds from the county trustee/city recorder.

**Note: Balance should equal cash in bank plus cash on hand maintained by the fund custodian.**



TRANSACTION RECORD OF EACH  
ADVANCE OR RETURN OF CONFIDENTIAL FUNDS

A. **ADVANCE** Transaction # \_\_\_\_\_

Agent's Name \_\_\_\_\_  
Agent's ID # \_\_\_\_\_  
Unit \_\_\_\_\_

Amount of Advance \_\_\_\_\_  
Case or Reference # \_\_\_\_\_  
Intended Purpose: ☐ Investigative Advance  
☐ Use as a Flash Roll \*

Advance Approved By \_\_\_\_\_  
[signature of chief law enforcement official or designee]  
Date Approved \_\_\_\_\_

Advance Received By \_\_\_\_\_  
[agent's signature]  
Date Received \_\_\_\_\_

Check # \_\_\_\_\_ Check Date \_\_\_\_\_

\* Flash rolls shall be returned within 48 hours, unless extended for an additional 48 hours.

B. **RETURN** Transaction # \_\_\_\_\_

Agent's Name \_\_\_\_\_  
Agent's ID # \_\_\_\_\_  
Unit \_\_\_\_\_

Amount of Advance Returned \_\_\_\_\_  
Case or Reference # \_\_\_\_\_

Advance Returned By \_\_\_\_\_  
[agent's signature]  
Date Returned \_\_\_\_\_

Advance Returned To \_\_\_\_\_  
[signature of chief law enforcement official or designee]  
Date Received \_\_\_\_\_

Receipt # \_\_\_\_\_ Receipt Date \_\_\_\_\_

Original Filed With Fund Custodian  
Copy Retained By Agent

ID No. \_\_\_\_\_

**I do solemnly swear (or affirm) that the amounts reported above are just and true in all reports.**

---

**Date**

---

**Date**

**Original Filed with Fund Custodian  
Copy Retained by Agent**

**ACCOUNTABILITY OF CONFIDENTIAL FUNDS - FUNDS EXPENDED**

(A new form is used for each new transaction)

Transaction # \_\_\_\_\_

Case File # \_\_\_\_\_

Date Opened \_\_\_\_\_

**EVIDENCE**

Type and Quantity \_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

**UNDERCOVER MOTOR VEHICLE**

Gasoline and Oil:

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Station \_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Station \_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Station \_\_\_\_\_

**INFORMANT EXPENSES**

Code Name \_\_\_\_\_

CI# \_\_\_\_\_

Date \_\_\_\_\_ Receipt Yes\_\_ No\_\_ Amount \_\_\_\_\_

**MISCELLANEOUS**

Explanation \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Explanation \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Explanation \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_ Amount Spent \_\_\_\_\_

Total Spent on Page \_\_\_\_\_

I certify that the above expenditures are true and correct.

\_\_\_\_\_  
Agent's Signature\_\_\_\_\_  
DateOriginal Filed with Fund Custodian  
Copy Retained by Agent

**RECEIPT FOR PAYMENT TO INFORMANT**

(Payment to informant for information/service and/or payment to informant for purchase of evidence)

Case or Reference # \_\_\_\_\_

Date \_\_\_\_\_

**A. Payment to Informant for Information/Services**

I hereby acknowledge receipt of \$\_\_\_\_\_ (words: \_\_\_\_\_)  
paid to me by \_\_\_\_\_ for consideration of ☐ information and/or  
☐ services as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**B. Payment to Informant for Purchase of Evidence/Drugs**

It is understood that this money is to be expended by me only for the purchase, as evidence, of controlled substances. If no such purchase is made, or if such a purchase is made for less than the total sum furnished to me, before (date: \_\_\_\_\_) (time: \_\_\_\_\_), I will forthwith refund the sum so furnished or the balance thereof, as the case may be, to the above-named officer of the (agency name: \_\_\_\_\_) at any time, I will forthwith refund to him or her the total amount of any sum thus furnished to me that has not yet been expended by me for the purchase, as evidence, of controlled substances. Furthermore, it is understood that this money is the property of (city/county \_\_\_\_\_) and that misuse or conversion of the same to my personal use will render me liable to prosecution.

**C. Officer's Signature** \_\_\_\_\_

Date \_\_\_\_\_

Payee (Code name or number) \_\_\_\_\_

Date/Time \_\_\_\_\_

Witness's Signature \_\_\_\_\_

Date \_\_\_\_\_

Original Filed with Fund Custodian  
Copy Retained by Agent

## SUMMARY INFORMANT PAYMENT RECORD

**Informant Code Name or Number** \_\_\_\_\_

[illegible]

**This form should be filed on top of the applicable informant file and should reflect all payments made to the informant. Receipts for payments to informants should back up this file.**

## CONFIDENTIAL FUND MONTHLY RECONCILIATION REPORT

## A. RECONCILIATION

Date of Bank Statement	_____	
Bank Balance per Statement		_____
Add:	Deposits in transit (from Section B) [Deposits recorded on Activity Log (Form A-1) but not appearing on the bank statement]	_____
Subtract:	Outstanding checks (from Section C) [Checks written and recorded on Activity Log (Form A-1) but not appearing on the bank statement]	_____
Balance per Activity Log		=====

## B. DEPOSITS IN TRANSIT

<u>Date</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	=====

## C. OUTSTANDING CHECKS

<u>Check #</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	=====

## D. CONFIDENTIAL FUNDS WITH AGENTS

<u>Name</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	=====

\* Parts A, B, and C are completed only if confidential funds are maintained in a separate bank account.

## E. SUBMISSION AND APPROVAL

Prepared by	_____	Approved by	_____
Date	_____	Date	_____

### Balance per Seizure Account Log (From Section D)

### C. OUTSTANDING CHECKS

Date	Amount	Check #	Amount
Total		Total	

#### D. SEIZURE FUNDS HELD IN BANK ACCOUNT

<u>Name</u>	<u>Amount</u>	<u>Name</u>	<u>Amount</u>
Total			

**\* This form is completed only if seized funds are maintained in a separate bank account before depositing them with the trustee.**

## E. SUBMISSION AND APPROVAL

Prepared by \_\_\_\_\_  
Date \_\_\_\_\_

Approved by \_\_\_\_\_  
Date \_\_\_\_\_

**REPORT OF CONFIDENTIAL FUNDS REQUESTED OR RETURNED**

To:

\_\_\_\_\_  
(County trustee or city recorder)

☐ I am requesting funds in the amount of \$ \_\_\_\_\_  
for use in the drug enforcement program.

☐ I am returning funds of \$ \_\_\_\_\_ which have  
accumulated in the drug control account.

---

**LAW ENFORCEMENT AGENCY'S CERTIFICATION:**

Submitted by:

\_\_\_\_\_  
(chief law enforcement official)

Title:

Date:

---

**COUNTY TRUSTEE'S/CITY RECORDER'S CERTIFICATION OF RECEIPT  
OR PAYMENT**

Amount received \_\_\_\_\_  
Receipt # \_\_\_\_\_  
Amount paid \_\_\_\_\_  
Check # \_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

Original filed with the county trustee/city recorder each time confidential funds  
are requested or returned.

Copy Filed with Law Enforcement Agency



Division of Fiscal Services  
6th Floor, Andrew Jackson Building  
500 Deaderick Street  
Nashville, TN 37243

LOCAL GOVERNMENT \_\_\_\_\_

COUNTY \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

PHONE NO. \_\_\_\_\_

[illegible]

**\*\* Net proceeds shall be reported to the Department of Mental Health and Substance Abuse Services by June 30 of each year.**



# Uniform Disposition of Unclaimed Property Act **Reporting Instructions**

Report & Remittance  
Due by November 1 of each calendar year

*Updated May 2024*

David H. Lillard, Jr., Treasurer  
State of Tennessee



[treasury.tn.gov/unclaim](https://treasury.tn.gov/unclaim)

# Table of Contents

PAGE

Quick Tips .....3

Security Delivery Instructions.....4-5

Electronic Reporting – Report IT TN Guidelines .....6

Report Year Conversion Table.....7

Due Diligence .....8

Sample Due Diligence Letter .....9

Dormancy Periods .....10

Ownership Codes.....10

Relationship Codes ..... 11-12

NAUPA Property Type Codes..... 13-14

Gift Certificates / Gift Cards .....15

Cashier Checks .....16

Traveler’s Checks .....16

Safe Deposit Box Guidelines .....17

Checklists .....18

The Tennessee Department of Treasury operates all programs and activities free from discrimination on the basis of sex, race, or any other classification protected by federal or Tennessee state law. Individuals with disabilities who may require an alternative communication format for this or other Treasury Department publications, should contact the Treasury ADA coordinator at 615-741-2956.

# Quick Tips

Making Payments	All payments are required to be submitted electronically. Payment options are ACH or Fed Wire.
Physical Stock Certificates	Hare & Co. / Account 822474 / FEIN 13-6062916 See additional instructions on page 5 of the holder manual.
Stock Registration and Delivery	Music City and Company / FEIN 30-0187547 Delivery DTC. See additional instructions on page 4 of the holder manual.
Dividend Reinvestment Plans	See detailed instructions on page 4 of the holder manual.
Mutual Fund Registration and Delivery	See detailed instructions on page 4 of the holder manual.
Safe Deposit Boxes	See detailed instructions on page 18 of the holder manual.
Remit and Report Due Date	<b>November 1</b> For all property presumed abandoned as of June 30th.
Electronic Reporting "REPORT IT TN"	Required in NAUPA format. No paper reports accepted. Must submit file electronically through "REPORT IT TN". See additional instructions on page 6 of the holder manual.
Aggregate Instructions	Although properties less than \$25 can be reported in aggregate, please provide owner detail information if available.
Due Diligence	Required 60 to 180 days prior to submission on properties \$50 and above. Costs may NOT be charged to the owner's account. See additional instructions on page 8 of the holder manual.
Minimum Reporting Amount	None. All amounts are reportable.
Record Retention	10 years. Section 66-29-126
Business to Business	Not exempted. See Tennessee Code Annotated, Section 66-29-105 C(1). May be deferred until the business relationship ends.
Reciprocal Reporting	Allowed only for incidental property with prior approval. Incidental property is defined as 10 or fewer owners with a total value of \$1,000 or less.
Negative Reports	Not required at this time. If negative reports are remitted they must be submitted through "Report IT TN". No paper reports will be accepted.
Penalties	See detailed instructions on page 17 of the holder manual.

# Security Delivery Instructions

as of current date

	Nominee Name	Tax ID #	Instructions
DTC & DWAC Eligible Securities	Music City & Co.	30-0187547	<p>Advance notice REQUIRED. Notify custodian two (2) business days prior to transfer at <a href="mailto:UPCH.Custody@avenuinsights.com">UPCH.Custody@avenuinsights.com</a>. Stock should be delivered via DTC or DWAC to our custodian. Send confirmation of transfer to <a href="mailto:UCP.Securities@tn.gov">UCP.Securities@tn.gov</a>. Transfers not preapproved will be reversed.</p> <p><b>Mellon Security Trust Company (Agent Ban #26500)</b>  <b>DTC Participant #901</b>  <b>Mellon Bank/Account #822474</b>  <b>Include Reporting Entity in Description Field. Reports with Fractions will be rejected.</b></p>
Non DTC & DWAC Eligible Securities	Music City & Co.	30-0187547	<p>If stock cannot be delivered via DTC or DWAC, only then may stock be registered in Book Entry Shares/Direct Registration Shares (DRS). Ensure that interested party statements are sent to the addresses below at the time of the transfer and a copy is e-mailed to <a href="mailto:UPCH.Custody@avenuinsights.com">UPCH.Custody@avenuinsights.com</a>.</p> <p><b>Music City &amp; Co.</b>  <b>C/O Avenu Insights &amp; Analytics</b>  <b>Attention: Custody Department</b>  <b>100 Hancock Street, 10th Floor Quincy, MA 02171</b>  <b>and to</b>  <b>State of Tennessee</b>  <b>Unclaimed Property</b>  <b>P.O. Box 198649</b>  <b>Nashville, TN 37219-8649</b>  <b>or</b>  <b>Email to <a href="mailto:UCP.Securities@tn.gov">UCP.Securities@tn.gov</a></b>  Remit cash-in-lieu for fractional shares for each owner. <b>Reports with Fractions will be rejected.</b></p>
Open End Mutual Funds	Mac & Co.	23-6019000	<p>Contact Avenu Insights at <a href="mailto:UPCH.Custody@avenuinsights.com">UPCH.Custody@avenuinsights.com</a> to obtain account numbers 3-4 days prior to attempting delivery. Accounts held for the State must be registered in the name of Mac &amp; Co. Avenu Insights will provide account numbers for all mutual funds transferred to the State's account. Include CUSIP, name of the fund, share amount and account number.</p> <p><b>Mac &amp; Co.</b>  <b>Account # 822474</b>  <b>State of Tennessee</b>  <b>Mutual Fund Operations 500 Grant Street</b>  <b>Room 151-1010</b>  <b>Pittsburgh, PA 15258</b>  <b>Tax ID: 23-6019000</b>  <b>Dividend Selection = Pay In Cash</b></p> <p><b>Please send statements to:</b>  <b>Avenu Insights &amp; Analytics</b>  <b>Attn: Mutual Fund Operations</b>  <b>100 Hancock Street, 10th Floor</b>  <b>Quincy, MA 02171</b>  <b>and to</b>  <b>State of Tennessee</b>  <b>Unclaimed Property</b>  <b>P.O. Box 198649</b>  <b>Nashville, TN 37219-8649</b>  <b>or</b>  <b>Email to <a href="mailto:UCP.Securities@tn.gov">UCP.Securities@tn.gov</a></b></p>

# Security Delivery Instructions

as of current date

	Nominee Name	Tax ID #	Instructions
Closed End Mutual Funds	Music City & Co.	30-0187547	<p>Advance notice REQUIRED. Notify custodian two (2) business days prior to transfer at UPCH.Custody@avenuinsights.com.</p> <p>Forward whole shares only via DTC (See DTC instructions above). <b>Reports with Fractions will be rejected.</b></p> <p>Fractional shares must be sold at the owner level and funds applied to each individual owner.</p>
Physical Stock Certificates	Hare & Co.	13-6062916	<p>Your report will be considered late until your shares are received correctly. Send all securities DTC &amp; DWAC per above. Physical certificates are only accepted when they cannot be sent DTC, DWAC or DRS per above instructions. Notify custodian two (2) business days prior to transfer at UPCH.Custody@avenuinsights.com. Email a copy of the certificate to UCP.Securities@tn.gov. Mail certificates to the address below:</p> <p><b>The Depository Trust Company</b>  <b>Acct # 822474</b>  <b>570 Washington Boulevard - 5th Floor</b>  <b>Jersey City, NJ 07310</b>  <b>ATTN: BNY Mellon / Branch Deposit Department</b></p> <p>Remit cash-in-lieu for fractional shares for each owner. <b>Reports with Fractions will be rejected.</b></p> <p>Certificates will be refused if delivered without prior notice.</p> <p>No certificates will be accepted that require fees to be paid for by the State.</p>
Fed Book Entry	N/A	N/A	<p>Advance notice REQUIRED. Notify custodian two (2) business days prior to transfer at UPCH.Custody@avenuinsights.com.</p> <p>Transfers not preapproved will be reversed. Account specifics are:</p> <p><b>Federal Reserve Bank of New York</b>  <b>ABA # 30210-0001-2</b>  <b>Bank of NYC/Trust (822474)</b>  <b>For: State of Tennessee</b></p>
Foreign Securities	N/A	N/A	<p>Contact custodian at UPCH.Custody@avenuinsights.com to obtain delivery instructions. If the custodian determines that the securities cannot be delivered or liquidated do not report the securities.</p>
Worthless, No Value or Non-Transferable	N/A	N/A	<p>Do not report or transfer to our office or custodian. Do not add any non-reportable securities to a State of TN UCP Escheatment Treasury accounts.</p>

**Note: If you are delivering multiple shares of the same issue, if possible, please deliver shares in one lot. Deliver any residual interest, dividends, etc. A.S.A.P. Do not leave any residual interest, dividends, reinvested growth, etc. in escheatment account.**



# Electronic Reporting


## REPORT PROPERTY ELECTRONICALLY

Tennessee requires an electronic file in NAUPA Standard Format for **ALL** Reports. You have two options when reporting Unclaimed Property to the State of Tennessee. Uploading a NAUPA II file formatted report or entering a manual report. Reports received without an electronic file will be returned and the report will not be considered as timely filed. Tennessee reserves the right to assess penalties and interest if non-compliant reports are not immediately corrected. It is your responsibility to make sure your file is compliant.



All Holders are required to submit an annual report by November 1st if there is unclaimed property to report.

<https://treasury.tn.gov/>



*You can download the complete reporting guide at:*

<https://treasury.tn.gov/Reporting> - "under Forms and Guides"

# Report Year Conversion Table

## *Most property -3 Year Abandonment Period*

Items Issued or Last Activity Date	Report By Date
7/1/2020 thru 6/30/2021	November 1, 2024
7/1/2021 thru 6/30/2022	November 1, 2025
7/1/2022 thru 6/30/2023	November 1, 2026
7/1/2023 thru 6/30/2024	November 1, 2027

## *Public Agencies & Payroll -1 Year Abandonment Period*

Items Issued or Last Activity Date	Report By Date
7/1/2022 thru 6/30/2023	November 1, 2024
7/1/2023 thru 6/30/2024	November 1, 2025
7/1/2024 thru 6/30/2025	November 1, 2026
7/1/2025 thru 6/30/2026	November 1, 2027



# Due Diligence

- Required for each owner with an account balance of \$50 or greater.
- Due diligence consists of mailing a first class letter to the owner.
- The purpose of the letter is to give the owner the opportunity to collect the funds from you and relieve you of the liability to have to report and remit the funds to the Unclaimed Property Division.
- You MUST wait at least 60 days after you send the letters to the owners before you send in your report to the Unclaimed Property Division. Note: You are still required to submit your report by November 1.
- You cannot wait any longer than 180 days from the time you send the letters to the owners to the time you send in your report to the Unclaimed Property Division.
- It is in your company's best interest to return the funds to the owner rather than turn the funds over to the Division of Unclaimed Property. Owners that are still customers or employees of yours tend to get upset when their funds are turned over to the Division of Unclaimed Property.
- You may be subject to penalties if you do not comply with the due diligence requirements.



***IMPORTANT: You may NOT charge or deduct a fee from the owners account to perform the due diligence. If you use a vendor to perform your due diligence, make sure they are not charging a fee to the owner. If a vendor does charge or deducts a fee, it does not constitute your requirement of due diligence and you may be subject to penalties.***

# Sample Due Diligence

Below is a sample Due Diligence Letter. If you use a format different than below, you must ensure that you include all requirements found under Tennessee Code Annotated 66-29-129.

<b>Widget Corporation</b> <b>1st Avenue South</b> <b>Big City, US 99999-9999</b> <b>(123) 555-1234</b>	
May 1, 2020 Owner Name 1234 Any Road St. N Any Town, US 99999-9999	Property Description: xxxxx Balance: \$xxx.xx
Dear Owner Name:	
We are holding unclaimed property due to the person listed above. The State of Tennessee requires us to notify you that your property may be transferred to the custody of the treasurer if you do not contact us within thirty (30) days after the date of this notice. The owner may claim this property by contacting us at the address and/or telephone number listed below.	
Widget Corporation 1st Avenue South Big City, US 99999-9999 (123) 555-1234	
If we do not hear from the owner by (the last date your system can remove items for refund before reporting to the state), the law requires us to submit this property to the Tennessee Treasury Department Unclaimed Property Division. You will then have to file a claim with the State of Tennessee to receive your property. Property, not legal tender, may be subject to sale by the treasurer.	
I.M. HELPFUL Widget Company	



Remember, you are required to wait 60 days after you mail the due diligence letter before you send the funds to the state. If an owner comes forward within those 60 days, you are required to return the funds to the owner.

## Reporting Made Simple.

If you return the property to your customers,  
you will not have to report that record.

# Dormancy Periods

Property Type	Period
Liquidations	1 year
Wages, Wage-Related Expense Checks	1 year
Fees for Professional Services and Commissions	1 year
State and Local Governments	1 year
Safe Deposit Boxes (Not Financial Institutions)	2 years
Utility Deposits and Refunds	1 year
Demutualized Shares	3 years
Dividends	3 years
Stock / Shares	3 years
Safe Deposit Boxes (Financial Institutions)	4 years
Cashier Checks	3 years
Casualty Insurance	3 years
Certified Checks	3 years
Checking Accounts	3 years
Gift Certificate (See note on page 15)	5 years
Fiduciaries	3 years
Life Insurance	3 years
Savings Accounts	3 years
Vendor Checks / Business Expense Checks	3 years
Money Orders	7 years
Traveler's Checks	15 years
All Other Property Not Listed Above	3 years

## Ownership Codes

Code	Short Description	Definition
AP	Aggregate Property	This property represents a group of properties that have been aggregated together. This is only allowed if they are less than \$25.00 per item. The owner records should be reported, if known, and kept for future inquiries on claims.
OT	All Owners Except Aggregate or Unknown	This property represents individual property records that are not reported as aggregate or unknown, and is used when an owner's name is known and included in the report.
UN	Unknown Owner (No Name Available)	This property represents individual property records in which the original owner's name is unknown.

# Relationship Codes

Code	Short Description	Definition
AD	Administrator	The person appointed by the court to handle the estate of someone who died without a will, with a will with no nominated executor, or the executor named in the will has died, has been removed from the case, or does not desire to serve.
AG	Agent For	A person who is authorized to act for another (the agent's principal) through employment, by contract or apparent authority.
AF	Attorney For	A person who has been qualified by a state or Federal court to provide legal services, including appearing in court, and is authorized to act for another.
AN	(And) Unspecified Joint Relationship	Unspecified joint relationship including 'AND'.
BF	Beneficiary	Any person or entity (like a charity) who is to receive assets or profits from an estate, a trust, an insurance policy or any instrument in which there is distribution.
CP	Community Property	Property or earnings received by a husband and wife during marriage, other than by gift, devise, or descent. Separate property is property owned by a spouse before marriage or received during the marriage by gift, devise or descent. In some jurisdictions, earnings from separate property are also separate property and in some jurisdictions, such earnings are community property. Recognized by California, Arizona, New Mexico, Texas, Nevada, Idaho, Washington, Wisconsin, Louisiana and Puerto Rico.
CN	Conservator	A guardian and protector appointed by a judge to protect and manage the financial affairs and/or the person's daily life due to physical or mental limitations or old age.
CF	Custodian	A person with whom some article is left, usually pursuant to a contract (called a "contract of bailment"), who is responsible for the safe return of the article to the owner when the contract is fulfilled.
DF	Defendant	The party sued in a civil lawsuit or the party charged with a crime in a criminal prosecution.
ES	Estate	All the possessions of one who has died and are subject to probate (administration supervised by the court) and distribution to heirs and beneficiaries, all the possessions which a guardian manages for a ward (young person requiring protection and administration of affairs), or assets a conservator manages for a conservatee (a person whose physical or mental lack of competence requires administration of his/her affairs).
EX	Executor or Executrix	The person appointed to administer the estate of a person who has died leaving a will which nominates that person.
FB	For Benefit Of	A person who is entitled to property that is held by another person (typically a custodian or trustee). FB is typically used in trustee, self-directed, inherited, education and transferred accounts.
GR	Guardian	A person who has been appointed by a judge to take care of a minor child (called a "ward") or incompetent adult personally and/or manage that person's affairs.
HE	Heir	Anyone who receives property of a deceased person either by will or under the laws of descent and distribution. (Explanation: a devisee under a will is also an "heir", even though unrelated to the decedent.)
IN	Insured	The person or entity who will be compensated for loss by an insurer under the terms of a contract called an insurance policy.
JT	Joint Tenants	An account held in joint tenancy presumes a right of survivorship, but this presumption can be overcome by evidence that the account was really the property of only one, and the joint tenancy was for convenience. Right of Survivorship is not specifically stated.
JS	Joint Tenants with Rights of Survivorship	A type of account which is owned by at least two people, where all tenants have an equal right to the account's assets and are afforded survivorship rights in the event of the death of another account holder. In this type of account, a surviving member will inherit the total value of the other member's share of account assets upon the death of that other member. All members of the account are afforded the power to conduct investment transactions within the account as well.

# Relationship Codes

Code	Short Description	Definition
TC	Tenants in Common	A type of account which is owned by at least two people with no rights of survivorship afforded to any of the account holders. In this type of account, a surviving tenant of the account does not necessarily acquire the rights (and account assets) of the deceased person. Rather, each tenant in the account can stipulate in a written will how his/her assets will be distributed upon his/her death. Generally, the member ownership in the account is determined on a pro rata basis, meaning that if there are two tenants in the account, each will have a 50% claim on the account's value.
JE	Tenants in Entireties	Joint ownership of property or securities by a husband and wife where, upon the death of one, the property goes to the survivor.
OR	(Or) Unspecified Joint Relationship	Unspecified joint relationship including 'OR'
OT	Other Relationship	Relationship other than specified in this list. Additional details should be submitted with the property.
PD	Payable On Death	Account is payable on Death to an alternate owner. Upon the original owner's death, the beneficiary must supply identification and a copy of the original owner's death certificate.
PA	Payee	The one named on a check or promissory note to receive payment.
PO	Power of Attorney	A written document signed by a person giving another person the power to act for the signer in designated circumstances and with respect to designated property. Explanation: There are both general powers of attorney which give the authorized party broad discretion and special powers of attorney that are limited in scope.
RE	Remitter	Used primarily on official checks. The Remitter is the person who purchased the official check. This relationship is separate from the Holder who turns the property over to the state.
SO	Sole Owner	Sole Owner is used when there is only a single owner for the property, and that person has all rights to the ownership of the property.
TE	Trustee	A person or entity who holds the assets (corpus) of a trustee for the benefit of the beneficiaries and manages the trust and its assets under the terms of the trust stated in the Declaration of Trust which created it.
UG	Uniform Gifts to Minor	Property that is gifted to a Minor under the Uniform Gifts to Minors Act – (UGMA). This act allows minors to own property such as securities. Under the UGMA, the ownership of the funds works like it does with any other trust except that the donor must appoint a custodian (the trustee) to look after the account. Regardless of whether the minor has reached the age of majority, they should be coded with the UG relation. The custodian on the account should be coded as CU.
UT	Uniform Transfer to Minor	Property that is gifted to a minor under the Uniform Transfer to Minors Act – (UTMA). This act allows a minor to receive gifts such as money, patents, royalties, real estate and fine art, without the aid of a guardian or trustee. The gift giver or an appointed custodian manages the minor's account until the minor is of age (usually 18 or 21).
UN	Unknown	The owner's relationship to the property is not known.
UF	Usufruct	Usufruct is a real right in a property owned by another, normally for a limited time or until death. Simply stated, it is the right to use the property, to enjoy the fruits and income of the property, to rent the property out and to collect the rents, all to the exclusion of the underlying real or naked owner. The usufructuary has the full right to use the property but cannot dispose of the property nor can it be destroyed.

# NAUPA Property Type Codes



## Financial Institution Accounts

AC01	Checking Accounts (3)	AC06	Security Deposits (3)
AC02	Savings Accounts (3)	AC07	Unidentified Deposits (3)
AC03	Matured CD or Sav Cert (3)	AC08	Suspense Accounts (3)
AC04	Christmas Club Funds (3)	AC99	Aggregate Account Balances Under \$50.00 (3)
AC05	Money on Dep to Secure Fund (3)		

## Checks

CK01	Cashier's Checks (3)	CK11	Pension Checks (3)
CK02	Certified Checks (3)	CK12	Credit Checks or Memos (3)
CK03	Registered Checks (3)	CK13	Vendor Checks (3)
CK04	Treasurer's Checks (3)	CK14	Checks Written Off to Income (3)
CK05	Drafts (3)	CK15	Other Outstanding Official Checks (3)
CK06	Warrants (3)	CK16	CD Interest Checks (3)
CK07	Money Orders (7)	CK99	Aggregate Uncashed Checks Under \$50.00 (3)
CK08	Traveler's Checks (15)		
CK09	Foreign Exchange Checks (3)		
CK10	Expense Checks (3)		

## Educational Savings Accounts

CS01	Educational Savings Account - Cash (3)	CS03	Educational Savings Account - Securities (3)
CS02	Educational Savings Account - Mutual Funds (3)		

## Courts / Legal

CT01	Escrow Funds (1)	CT05	Other Court Deposits (1)
CT02	Condemnation Awards (1)	CT06	Child Support Payments (1)
CT03	Missing Heir's Funds (1)	CT99	Aggregate Court Deposits Under \$50.00 (1)
CT04	Suspense Accounts (1)		

## Health Savings Accounts

HS01	Health Savings Account (3)	HS02	Health Savings Account Investment (3)
------	----------------------------	------	---------------------------------------

## Insurance

IN01	Individual Policy Benefits or Claim Payments (3)	IN05	Premium Refunds (3)
IN02	Group Policy Benefits or Claim Payments (3)	IN06	Unidentified Remittances (3)
IN03	Proceeds Due Beneficiaries (3)	IN07	Other Amount Due Under Policy Terms (3)
IN04	Proceeds from Matured Policies, Endowments or Annuities (3)	IN08	Agent Credit Balances (3)
		IN99	Aggregate Insurance Property Under \$50.00 (3)

## Individual Retirement Accounts

IR01	Traditional IRA - Cash (3)	IR05	Roth IRA - Cash (3)
IR02	Traditional IRA - Mutual Funds (3)	IR06	Roth IRA - Mutual Funds (3)
IR03	Traditional IRA - Securities (3)	IR07	Roth IRA - Securities (3)



# NAUPA Property Type Codes



## Proceeds From Mineral Interests

MI01	Net Revenue Interest (3)	MI06	Bonuses (3)
MI02	Royalties (3)	MI07	Delay Rentals (3)
MI03	Overriding Royalties (3)	MI08	Shut-In Royalties (3)
MI04	Production Payments (3)	MI09	Minimum Royalties (3)
MI05	Working Interest (3)	MI99	Aggregate Mineral Interests Under \$50.00 (3)

## General Business, Miscellaneous Checks and Intangible Personal Property

MS01	Wages, Payroll, Salary (1)	MS12	Unredeemed Gift Certificates (5)
MS02	Commissions (1)	MS13	Unclaimed Loan Collateral (3)
MS03	Workers' Compensation Benefits (3)	MS14	Pension & Profit Share Plans (IRA, Keogh) (3)
MS04	Payment for Goods & Services (3)	MS15	Dissolution or Liquidation (1)
MS05	Customer Overpayments (3)	MS16	Misc Outstanding Checks (3)
MS06	Unidentified Remittances (3)	MS17	Misc Intangible Prop (3)
MS07	Unrefunded Overcharges(3)	MS18	Suspense Liabilities (3)
MS08	Accounts Payable (3)	MS19	Credit Memos (3)
MS09	Credit Balances - Accts. Rec. (3)	MS20	Expense Checks (3)
MS10	Discounts Due (3)	MS99	Aggregate Misc Property Under \$50.00 (3)
MS11	Refunds Due (3)		

## Securities

SC01	Dividends (3)	SC12	Underlying Shares or Other Outstanding Certificates (3)
SC02	Interest (Bond Coupons) (3)	SC13	Funds for Liquidation/Redemption of Unsurrendered Stock or Bonds (3)
SC03	Principal Payments (3)	SC14	Debentures (3)
SC04	Equity Payments (3)	SC15	US Govt Securities (1)
SC05	Profits from Stock/Bonds (3)	SC16	Mutual Fund Shares (3)
SC06	Funds PD to Purchase Shares (3)	SC17	Warrants (Rights) (3)
SC07	Funds for Stocks & Bonds (3)	SC18	Matured Bond Principal (3)
SC08	Shares of Stock (Returned by Post Office) (3)	SC19	Dividend Reinvestment Plans (3)
SC09	Cash for Fractional Shares (3)	SC20	Credit Balances (3)
SC10	Unexchanged Stock of Successor Corp (3)	SC99	Aggregate Security Related Cash Under \$50.00 (3)
SC11	Other Cert of Ownership (3)		

## Safe Deposit Boxes and Safekeeping

SD01	SD Box Contents (4)	SD06	Cash Only From SD Box (2)
SD02	Other Safekeeping (2)	SD80	Funds from Sale of SD Box Contents (1)
SD03	Other Tangible Property (2)	SD81	Funds from Sale of Self Storage (4)

## Trust, Investments and Escrow Accounts

TR01	Paying Agent Accounts (3)	TR05	Trust Vouchers (3)
TR02	Undelivered or Uncashed Dividends (3)	TR06	Pre-Need Funeral Plans (3)
TR03	Funds Held In Fiduciary Capacity (3)	TR99	Aggregate Trust Property Under \$50.00 (3)
TR04	Escrow Accounts (3)		

## Utilities

UT01	Utility Deposits (1)	UT04	Capital Credit Distributions (1)
UT02	Utility Membership Fees (3)	UT99	Aggregate Utility Property Under \$50.00 (1)
UT03	Utility Refunds or Rebates (1)		

# Gift Certificates/Gift Cards

## Important Aspects of Tennessee's Gift Certificate Laws

### ***Tennessee Code Annotated, Section 66-29- 102(9): Unclaimed Property Law***

The gift card/gift certificate may be exempted if:

- The value does not expire
- Decreases in value only by redemption of merchandise, goods or services
- Unless required by law, must not be redeemed for or converted into money

If a gift card/gift certificate does not meet the above requirements:

- Not exempt
- 5 year dormancy

### ***Tennessee Code Annotated, Section 47-18- 127: Consumer Protection Act***

This law was effective as of July 1, 2006.

- Gift certificate may NOT have an expiration date less than two years
- May NOT charge fee to issue gift certificate
- May NOT charge fees within the first two years
- If there is no expiration date on the gift certificate, then is valid until redeemed or replaced with new gift certificate

#### **Exemptions:**

- Given as an award, loyalty or promotional program without any money or anything of value in exchange
- Sold below face value to employers, nonprofit or charitable organizations or fundraising purposes
- Sold by a nonprofit or charitable organization for fundraising purposes
- Given to employee to be limited to the employer's business establishment
- Useable with multiple, unaffiliated sellers of goods or services
- Given to employee in recognition of services performed
- Does not include prepaid calling cards



# Cashier's Checks

Includes Certified Checks and Money Orders

- Typically, we receive the funds from these instruments from financial institutions.
- There will be a remitter (purchaser) and payee for each check.
- We must receive as much information as possible for both the remitter and the payee.
- Due to the nature of this instrument, the state will not know if the correct owner of these funds belongs to the remitter or payee. If both names are not provided, the state will have to contact you back. To avoid extra work later, please provide all necessary information to help us pay the correct owner.

# Traveler's Checks

- Due to the nature of these instruments, the owner will not be known at the time the funds are turned over to the state.
- Typically, the institution that issued these checks will claim the funds back from the state when the original traveler's check has been cashed.
- These items may no longer be reported in the aggregate. We must receive the serial number and amount for each traveler's check in the proper NAUPA file format.
- Our ability to reimburse you will depend on your compliance with reporting these funds.

# Safe Deposit Box Contents

- Unlike your required annual report, safe deposit box contents or other tangible items are NOT remitted to the Division of Unclaimed Property at the time the report is filed. (See Tennessee Code Annotated, Section 45-2-907.) *\*Please be aware 45-2-907 has not been updated to reflect Unclaimed Property's current filing deadline of Nov 1, effective 4/24/2018.*
- Your initial Safe Deposit Box report must be in an electronic NAUPA file. It should be included with your annual report.
- Once we receive your initial report, we will attempt to locate the missing owners. If we are successful, we will have them contact you. This will allow you to collect any unpaid rent or drilling fees prior to turning over the contents of the safe deposit box.
- After a minimum of one (1) filing year, when the Division of Unclaimed Property received your initial report of safe deposit box contents, you may dispose or auction the contents.
- Any additional funds due the owner are reportable to the Division of Unclaimed Property in your disposition report within 60 days of sale. (See Tennessee Code Annotated, Section 45-2-907 for applicable fees and charges that may be deducted.)
- You must use the unique paper report for the final disposition of safe deposit box contents. The report and funds are required to be remitted to the Division of Unclaimed Property.

*You can download the safe deposit box disposition form at:*

<https://treasury.tn.gov/Reporting> - "under Forms and Guides",  
"under Additional Forms", SDB Disposition Form

*For additional information regarding the reporting of safe deposit box contents, please review Tennessee Code Annotated, Section 45-2-907.*



# Report Checklist



- ☐ Follow the instructions on our website to send your NAUPA file through the reporting website "Report It TN".
- ☐ Include all social security numbers for property owners being reported. Cross reference any other internal databases, if needed.
- ☐ All ACH payments must be made online through, "Report It TN".
- ☐ Wait 60 days after you send out due diligence letters before reporting. Pay any owners who come forward within the 60 days and adjust report accordingly.

# Securities Checklist



- ☐ Transfer all stock DTC or DWAC. We will return physical certificates that are DTC eligible. Reports with fractions, other than Open End Mutual Funds, will be rejected.
- ☐ Reports with fractions will be rejected except for Open End Mutual Funds only.
- ☐ We do not accept book entry accounts. Convert and send DTC or DWAC.
- ☐ Use correct registration for stock, mutual funds and physicals.
- ☐ Set all distributions or dividends to cash.
- ☐ DO NOT transfer securities into our account until you are ready to remit the report.
- ☐ Send statements to Avenu and the State of Tennessee.
- ☐ See our website for frequently asked questions regarding securities.