



## Abandoned and Unclaimed Property



# Outstanding Value

"RYAN'S ABANDONED AND UNCLAIMED PROPERTY PRACTICE HAS BEEN A TRUSTED PARTNER OF CBS CORPORATION FOR MANY YEARS, CONSISTENTLY DELIVERING INCREDIBLE VALUE AND SUBSTANTIAL SAVINGS."

Christopher Fontana, *Director, State and Local Tax*

**CBS CORPORATION**

## Ryan Offers Innovative Solutions to Mitigate Abandoned and Unclaimed Property Risks

States today are aggressively focused on abandoned and unclaimed property (AUP) collections as a significant source of revenue. AUP assessments by the 53 jurisdictions, as well as annual voluntary remittances by holders, have provided a significant source of revenue and working capital that would otherwise be raised through additional taxes. Companies that have well-established, multi-jurisdictional operations and/or suppliers may have to contend with understanding and applying the law in 53 separate reporting jurisdictions for full compliance. In addition, businesses are facing the increasing likelihood of single or multi-jurisdictional audits for AUP, which often have no statute of limitations, potentially going back as far as a company's inception.

All industry segments, whether public or private, have now become targets for examination. Whereas AUP audits historically tended to focus on large corporations, smaller companies are now also being aggressively targeted. Targeted properties typically include payroll checks, accounts payable checks, accounts receivable credit balances, unredeemed rebates and refunds, unused gift certificates or stored value cards, credit memos, customer overpayments, and unmatched inventory receipts. It is becoming increasingly clear that every company doing business in the United States has potential AUP exposure.

As jurisdictions have been increasing their enforcement efforts through audits—including the use of contingent fee contract audit firms—many companies are struggling with the complexities and scope of AUP laws and requirements. Ryan's AUP professionals are committed to helping clients navigate the maze of AUP laws and effectively apply these laws to their businesses. We work with clients to ensure compliance with jurisdictional AUP regulations and strategically implement solutions to reduce overall AUP exposure. Our comprehensive service model focuses on guiding our clients through the AUP compliance process and providing them with the most effective solutions for efficiently identifying, capturing, and reporting AUP. Our expertise in every jurisdiction makes Ryan the clear strategic partner for companies concerned with mitigating AUP risks and ensuring effective transactional planning through a comprehensive suite of services.



# Abandoned and Unclaimed Property Services

## **Voluntary Disclosure**

As a general rule, a company has only one chance to become compliant with a jurisdiction's program of voluntary disclosure. You could be at risk for penalties and interest, as well as a potential material misstatement of your company's financial position, if you have:

- Never reported property
- Under-reported certain property types
- Not reported all property types
- Filed past reports in error

Ryan assists clients with the identification, quantification, and remediation of previously unreported AUP obligations and negotiates with appropriate jurisdictional officials to mitigate interest, penalties, and amounts owed. Significant value is brought to our clients through our execution of closing agreements, limitation of review periods, and abatement of interest and/or penalties associated with prior unreported AUP. Our experience in data extraction, sampling, estimation, and extrapolation techniques in AUP provides companies with a means of confidently advancing voluntary disclosures with each reporting jurisdiction. Just as important, by performing due diligence and locating owners of presumed AUP, a company can reduce the risk of interest and penalties while enhancing its reputation with customers and vendors.

## **Internal Controls Review**

Unrecorded liabilities in the form of unclaimed items previously written-off to income or expense, or in the form of liabilities never recorded, may be an indication of gaps in internal controls or under-accrued liabilities. With the advent of the Sarbanes-Oxley Act of 2002 and subsequent Securities and Exchange Commission (SEC) regulations requiring corporate management to attest to sound internal controls over financial reporting, an accurate assessment of AUP compliance controls is warranted. In addition, with an increased emphasis on ensuring that a company's books adequately reflect its liabilities, recorded and unrecorded AUP liabilities have attracted the attention of the SEC, Internal Revenue Service, and other regulatory bodies. For purposes of complying with the annual assessment of internal controls, liability determinations, and jurisdictional laws, as well as performing merger and acquisition due diligence, we assist clients with identifying and quantifying exposure and rectifying procedural gaps. Our AUP policies and procedures review process will remedy areas of noncompliance, while streamlining overall compliance reporting.



*Our team of experienced professionals will help you identify opportunities to reduce potential exposure and ensure only true AUP transactions are reported.*

### ***Audit Defense***

Ryan relentlessly represents the interests of clients through the audit process, while offering ongoing compliance solutions. We have developed a comprehensive audit strategy that typically includes intervention with the jurisdiction or third-party auditors, which often allows Ryan professionals to perform a self-audit and then have the results reviewed by the jurisdiction or third-party auditors. In addition, our team of experts will negotiate a favorable settlement of terms to ensure that a fair assessment is reached, mitigating the threat of interest and/or penalty, as well as providing recommendations and support for post-audit remediation in those situations where the jurisdiction or third-party auditor has already conducted the examination. Our combined knowledge of multi-jurisdictional AUP legislation, audit strategy and methodology, and emphasis on technical expertise guarantees that our representation is unmatched in the industry.

### ***Transactional Planning***

Ryan will advise and assist with the development of proactive planning and structuring techniques that result in significant or complete reduction of certain types of property from AUP reporting. Utilizing the industry's most innovative approach to complex AUP issues, we aggressively work with our clients to ensure that the very best possible solution is reached, accounting for the impact of tax, regulatory, and other business factors. From comprehensive restructuring support to answering day-to-day questions, our experienced team of AUP experts works diligently to provide the industry's best-in-class client service. Ryan's AUP practice receives client satisfaction scores above 98% and consistently ranks highest in the industry.

### ***Pre-Filing Reviews***

Companies managing their own AUP compliance process can be challenged with the difficult task of updating internal processes to meet the requirements of the constantly changing jurisdictional laws. Ryan offers a comprehensive review service for each filing season to ensure that our clients are not over or under reporting what is actually due.



*Our spectrum of experience includes proactive planning through litigation support.*



***“Ryan is a valued business partner for Reader’s Digest, consistently delivering quality expertise and superior client service.”***

Caroline Dale,  
Accounting Manager



### **Asset Recovery**

Ryan, in conjunction with our strategic partners, will coordinate all aspects of identifying, searching, and claiming unclaimed assets from federal, state, and local governmental agencies, municipalities, and other sources on behalf of our clients. We will execute all necessary claim forms and paperwork, while corresponding with all jurisdictions holding funds belonging to our clients. Ryan addresses all questions from each jurisdiction quickly and convincingly to ensure our clients rightfully receive all their assets.

### **Annual Compliance**

Abandoned and unclaimed property is not a tax but operates very much like a tax, requiring significant research and data from several different functional areas within an organization. It can be a very demanding responsibility to manage an accounting or tax department and the related allocation of resources being pulled in multiple directions. As a result, accounting and tax departments typically lack a dedicated resource to proactively manage all necessary requirements of AUP reporting.

#### **Benefits of Ryan’s AUP compliance services**

- Institution of a reliable and consistent reporting function
- Complete management of due diligence process
- Preparation of timely and accurate reports
- Identification of opportunities for reduction of exposure in each filing season
- Utilization of the most current industry standards and technology

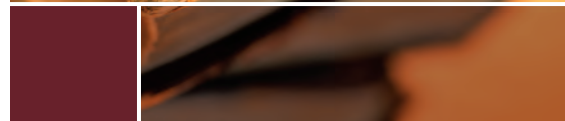
Ryan's annual compliance services offer a comprehensive solution for companies seeking to efficiently manage their regulatory compliance obligations, allowing them to focus on high-value strategic activities more closely aligned with the expectations of C-level and other stakeholders. Our team of experienced professionals will administer compliance requirements completely and competently, providing solutions to effectively manage AUP compliance activities that result in an overall reduction and mitigation of AUP exposure.

Ryan's complete AUP compliance solution includes all due diligence, reporting, payment processing, and follow-up functions. Our state-of-the-art industry compliance calendar simplifies the entire process in a step-by-step outline, so even the most complicated issues are resolved in an efficient and timely manner. We offer a detailed plan describing how the AUP compliance service works throughout the year, outlining all key responsibilities to ensure a seamless process that delivers a substantial return on investment in time and money throughout the course of the engagement.

Our reputation has been formulated through thorough and aggressive representation.

## Why Ryan

Ryan provides an integrated solution of internal resources, including legal, litigation, statistical sampling, data extraction, accounting, and tax to address our clients' challenging issues. This approach offers a distinct competitive advantage, positioning Ryan as the leader in AUP compliance and consulting services. We provide proven industry experts committed to helping our clients navigate the complex intricacies of multi-jurisdictional AUP compliance. Our seasoned professionals offer a comprehensive suite of consulting services with years of hands-on experience in all aspects of AUP, including jurisdictional and third-party audit experience, compliance solutions, and all other areas of AUP, from laws and regulations, to statistical sampling and data extraction.



## About Ryan

Ryan is an award-winning global tax services firm, with the largest indirect tax practice in North America and the seventh largest corporate tax practice in the United States. Headquartered in Dallas, Texas, the Firm provides a comprehensive range of state, local, federal, and international tax advisory and consulting services on a multi-jurisdictional basis, including audit defense, tax recovery, credits and incentives, tax process improvement and automation, tax appeals, tax compliance, and strategic planning. Ryan is a two-time recipient of the International Service Excellence Award from the Customer Service Institute of America (CSIA) for its commitment to world-class client service. Empowered by the dynamic *myRyan* work environment, which is widely recognized as the most innovative in the tax services industry, Ryan's multi-disciplinary team of more than 925 professionals and associates serves over 6,500 clients in 40 countries, including many of the world's most prominent Global 5000 companies. More information about Ryan can be found at [www.ryan.com](http://www.ryan.com).



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