

Delaware SOS VDA Program - Holder Sample Work Plan*

Function Group	Task	Due Date	Owner	Open/ Closed	Comments
Phase 1: Scoping					
General/Reporting	Kickoff & Review Work Plan (identify team members, lead contacts, project objectives, logistics, and next steps).				
	Conduct interviews to determine current and historical accounting policies and procedures for the review period.				
	Obtain Unclaimed Property policies and procedures (if any).				
	Obtain prior Unclaimed Property filings (if any) along with any reports of prior VDA's filed and/ or results from any prior Unclaimed Property audits (for all states).				
	Obtain revenue information for the review period.				
	Obtain corporate org chart outlining states/dates of incorporation for each entity.				
	If applicable, document entity types and exclusion/inclusion in the program.				
	Obtain a list of all merger, acquisition and joint venture activity for the period. Include information about the transaction, such as the type of M&A, liabilities excluded, if applicable.				
	Obtain Chart of Accounts, General Ledger and Trial Balances for the review period.				
	Review Chart of Accounts to identify accounts that could potentially house Unclaimed Property.				
	Obtain information on system conversions and maintenance of legacy data.				
	Determine how far back records are available for each property type (record retention policy).				
		Holder should identify entities that will be reviewed, records that are available and base periods that will be used (if estimation will be necessary). It is expected the base years and estimation methodologies will be agreed upon prior to testing.			
Phase 2: Detailed Records Review and Quantification of Amounts Reportable					
Accounts Payable	Obtain list of open and closed bank accounts over the review period; ensure completeness and accuracy of information.				
	Indicate a description of the account (i.e. AP disbursement, clearing account, payroll, etc.).				
	Indicate why a disbursement account was closed.				
	For all main open disbursement accounts, obtain copies of bank statements, outstanding checklists and bank reconciliations (obtain last bank statement for closed disbursement accounts and determine disposition of ending balances and outstanding checks) and tie out to the General Ledger for all accounts payable disbursement accounts. Provide all available periods.				
	If applicable, map the bank accounts to ledgers and legal entities for all years in the review period.				
	If applicable, review journal entry detail for each disbursement account to determine if checks were disbursed, reversed, etc.				
	Additional review performed for voids, stopped and cancelled checks.				
	Determine which period of voids is available and researchable and identify procedures for voiding checks during the period.				
	Provide population of voided checks to research for similar periods reviewed for outstanding checks.				
	Research and review of the items will be required to attempt to remediate (i.e. substantiate that the items are/ are not escheatable).				
	Schedule population of outstanding checks electronically including name and address detail of the payee. Provide the detail which the samples were generated.				
	Review population and identify any exemptions or obvious errors.				
	Select sample for review. If 100% testing checks (limiting to checks voided after 90 days may be acceptable), quarterly convention may be used to test outstanding checks. If some sort of sample will be used, the design of the sample should be discussed with Administrator in advance.				
	Research sample by pulling supporting documentation.				
	Update sample spreadsheet to account for research performed.				
	Maintain copies of research and organize into work papers.				
	Combine results of the sample periods with the results of the non-sample periods to derive a full assessment of the period under review.				
Holder to conclude on sample items.					
Project exposure over the lookback period for where detailed records are not available.					
Schedule exposure by state.					
Payroll	Obtain list of open and closed payroll disbursement accounts over the review period; ensure completeness and accuracy of information; determine percentage of employees on direct deposit.				
	Indicate why a payroll disbursement account was closed.				

Delaware SOS VDA Program - Holder Sample Work Plan*

Function Group	Task	Due Date	Owner	Open/ Closed	Comments
	Determine if a TPA is used and if so, review the contract and determine who is the legal obligor of outstanding checks.				
	If a TPA is used, determine years used, and the policy for checks that are uncashed.				
	For all main open payroll disbursement accounts, obtain copies of bank statements, outstanding checklists and bank reconciliations (obtain last bank statement for closed disbursement accounts and determine disposition of ending balances and outstanding checks) and tie out to the General Ledger for all payroll disbursement accounts. Provide all available periods.				
	If applicable, map the bank accounts to ledgers and legal entities for all years in the review period.				
	If applicable, review journal entry detail for each payroll account to determine if checks were disbursed, reversed, etc.				
	Additional review performed for voids, stopped and cancelled checks.				
	Determine status of check (cleared, void, etc.).				
	Determine void reason or reason for not being reissued.				
	Schedule population of outstanding checks electronically including name and address detail of the payee.				
	Review population and identify any exemptions or obvious errors. Identify items that need to be researched.				
	Pull and copy bank statements to support cleared (original or reissued) checks.				
	Select sample for review.				
	Research sample by pulling supporting documentation.				
	Update sample spreadsheet to account for research performed.				
	Maintain copies of research and organize into work papers.				
	Combine results of the sample periods with the results of the non-sample periods to derive a full assessment of the period under review.				
	Holder to conclude on sample items.				
	Project exposure over the lookback period for where detailed records are not available.				
	Schedule exposure by state.				
Accounts Receivable	Obtain populations for AR credit balances (including duplicate payments, unidentified remittances, small balance write-offs, aged credit balance write-offs, bad debt write-offs). Methodology for netting A/R credits with any A/R debits across companies, common customer number, prior period write-offs should be discussed in advance.				
	Review population and identify any exemptions or obvious errors.				
	Trace the credit to the ultimate disposition of the credits and verify if the items are due and owing to the customer.				
	Obtain accounting research that supports the remediation of items, when applicable.				
	Determine if items are written off to a specific General Ledger account and consider review.				
	Provide AR write off journal entries data for unused rebated and unused customer credits, if applicable.				
	Select sample for review.				
	Research sample and provide support for sampled items which include net credit write off sample items.				
	Update sample spreadsheet to account for research performed.				
	Maintain copies of research and organize into work papers.				
	Holder to conclude on sample items.				
	Provide year end AR Aging tie out to the General Ledger (through potential dormancy period).				
	Research and review support for remediation of the items outside of the sample period.				
	Combine results of the sample periods with the results of the non-sample periods to derive a full assessment of the period under review.				
	Project exposure over the lookback period for where detailed records are not available.				
	Schedule exposure by state.				
Benefits	Obtain list of all benefit plans includes those that are self-insured, fully insured, ERISA based or non-ERISA based.				
	For ERISA based plans, obtain copies of 5500's.				
	For self insured non ERISA based plans, determine if a third party administrator is being used.				
	If a TPA is used, obtain contract and determine who has escheat responsibility.				
	If TPA has escheat responsibility, obtain copies of Unclaimed Property reports filed for the review period.				
	If client has escheat responsibility, determine which bank accounts are used to fund the plan and obtain list of outstanding checks.				
	Schedule population of outstanding checks electronically including name and address detail of the payee.				
	Review population and identify any exemptions or obvious errors.				
	Select sample for review.				
	Research sample.				
	Update sample spreadsheet to account for research performed.				

Delaware SOS VDA Program - Holder Sample Work Plan*

Function Group	Task	Due Date	Owner	Open/ Closed	Comments
	Maintain copies of research and organize into work papers.				
	Holder to conclude on sample items.				
	Schedule exposure by state.				
Shared Services	Indicate and describe the type of shared service(s) (AR, AP, PR, etc.) and number of years.				
	Describe the accounting function and which company has legal obligation of the Unclaimed Property.				
	Document if each company has own books or records for these services.				
	Determine if the shared service entity reconciles the bank accounts used for these purposes.				
	Determine if the shared service entity records an intercompany charge-back to the operating subsidiaries.				
	Determine if the shared service entity writes off checks from its own bank account or off each subsidiaries bank accounts.				
	Obtain the intercompany agreement for the service(s), if applicable.				
Shareholder Transactions	Identify transfer agents used by the company during the review period.				
	Obtain copies of contracts with transfer agents.				
	Determine if all transfer agents are contractually bound to escheat uncashed dividends and underlying stock shares on the Holder's behalf.				
	Obtain copies of Unclaimed Property reports and/or property detail submitted by transfer agents.				
	Determine if unexchanged shares exist from stock acquisitions.				
Other	Based on the company's industry, determine if any other property types are subject to escheat and include in work plan.				
Phase 3: Validation					
	Present a comprehensive Final Report outlining the Holder's conclusion as to Unclaimed Property liability to Delaware.				
	Provide Administrator source documentation to validate the thoroughness of Holder's self-review, if requested.				
	Provide Administrator certain populations of data from which a statistical sample will be chosen and tested to confirm Holder's conclusions, if requested.				
	Work with Administrator during analysis of the conclusions reached in the Final Report.				
Phase 4: Settlement and Payment					
	Agree on Unclaimed Property liability with Administrator.				
	Execute Form VDA-2 with the List of Entities, Form AP-1, Final Report and supporting schedules. Additional documentation may include management representation letters, legal memoranda and other documents which support the analysis and conclusions.				
	Obtain final signed VDA-2 and demand letter from Secretary of State.				
	Pay the agreed upon Unclaimed Property liability and upload the NAUPA file directly to the Department of Finance's website within ten days of the issuance of the demand letter.				

Legend:

Holder: References to Holder includes Holder and/or Holder's Advocate.

Administrator: References to Administrator includes the State and/or its Representatives/Assignees.

* This is a sample work plan. Work plans will vary according to the particular facts and circumstances of the Holder.