

Family First Credit Union

Deposit Policy

Dormant Policy/Procedure

Purpose

A dormant account is defined as a demand account that shows no activity (other than posting interest) for a period of but not less than twelve months. Such funds are escheated to the government annually.

It is the policy of Family First Credit Union to comply with all state escheat laws.

Family

First Credit Union will monitor dormant accounts for activity and notify the member prior to moving funds to a secured account.

Policy Guidelines

Demand accounts are

- Draft Savings
- Draft Checking
- Club Accounts
- Certificated of Deposit Accounts
- IRA's

Credit Union Operations Procedures for Demand Deposit accounts

1. Staff is required to identify the owner of the dormant account using at least one of the following:
 - Valid Picture ID
 - Verify Address
 - Verify first three(3) digits of social Security number (SSN#)
2. The Inactive to Active Dormant Account report will be reviewed monthly.
3. A notice will mailed to the member two months before a dormant fee is charged to their account.
4. The member must notify the credit union and/or a monetary transaction must be made to the account no later than the date given on the notice to remove the dormant status and avoid incurring monthly fees.
5. Activity since the date the account is classified as dormant will be researched to verify validity.
 - Pull the transaction documents
 - Verify the signature with the signature card
6. Annual audit of dormant accounts to confirm the following:
 - Dormant accounts closed since last audit and determine if member received the funds
 - Accounts reclassified from dormant to active since last audit
 - All dormant accounts.

7. Any demand deposit account classified as dormant for a period of five years will be mailed a notice informing them of the account status during the month of June of that same year. If the credit union does not receive a reply within 120 days of the notice, all funds will be escheated to the state in November of the same year.
8. Every effort will be made on the members' behalf to inform and distribute funds to the member or the appropriate person(s) before escheating funds.
9. Dormant accounts will incur a monthly \$5.00 fee up to 12 months of the dormancy period for a total of \$60.00.
10. Signature cards on dormant accounts are maintained under dual control.

Certificates of Deposits

Certificates of Deposit are deemed to be dormant when the depositor has neither increased or decreased the amount of the deposit or shares nor corresponded with the financial institution regarding the deposit or shares for a period of not less than five (5) years from the date upon which the deposit or share first became eligible for withdrawal.

Traditional IRA Dormancy and Escheatment Rules

The dormancy period for IRAs cannot begin until the account owner reaches the age at which they must begin taking required minimum distributions, usually 70.5. Therefore, an IRA will be defined as dormant if a member has not increased or decreased the IRA 1 year (365 days) after reaching the age of 70.5. An IRA is subject to escheatment if the member has not taking the required minimum distributions 5 years after reaching the age of 70.5.

Roth IRA Dormancy and Escheatment Rules

The dormancy period for Roth IRAs cannot begin until the account owner reaches the age of 59 ½. Therefore, a Roth IRA account will be defined as dormant if a member has not increased or decreased the Roth IRA account 1 year (365 days) after reaching the age of 59 ½. A Roth IRA is subject to escheatment if the member has not increased or decreased the Roth IRA account 5 years after reaching the age of 59 ½.

Un-presented Checks

Checks issued by Family First Credit Union that have not been presented for payment will be handled according to the following procedure:

- Expense checks more than 180 days old will be reversed to expense account from which they were disbursed.
- Members' checks (checks made payable to the member) outstanding for more than 180 days will be transferred back to the members' account.
- Declaration of Loss Cashier's or Teller's Check letter will be mailed to the remitter of checks made payable to a third party or closed accounts for checks

outstanding for more than 180 days. Checks will be voided and moved to an accounts payable GL with adequate descriptions and supporting documents will be kept for each entry.

- Checks outstanding for 5 years will be escheated to the Georgia Department of Revenue in November in the same year.

Preventive Measures for Members

- ✓ Inform Family First Credit Union of any address change
- ✓ Inform the credit union of any name change
- ✓ If you go away for an extended period of time, arrange for correspondence from Family First Credit Union to be sent to a third party or be kept at the credit union for the duration of your absence.
- ✓ It is generally advisable to designate a proxy or representative with full power of attorney who can be contacted should you assets become dormant.