



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

**State of West Virginia  
Professional Auditing Services for UP**

**Solicitation Number:**

**CRFQ 1300STO1700000006**

**Respondent Information:**

**Name:** Kelly D'Emilia  
**Innovative Advocate Group, Inc.**  
**Address:** 3 Harding Road, Suite E  
Red Bank, NJ 07701  
**Email:** [Kdemilia@innovativeadvocate.com](mailto:Kdemilia@innovativeadvocate.com)  
**Telephone:** (732) 576-7710

06/07/17 13:54:18  
Purchasing Division

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3 Harding Road · Suite E  
Red Bank, NJ 07701



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

May 26, 2017

Ms. Tara Lyle  
Buyer Supervisor  
Department of Administration, Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

Dear Ms. Lyle:

On behalf of Innovative Advocate Group Inc. ("IA Group"), I want to express our appreciation for your interest in IA Group's Audit and Examination Services. We believe that our proposed methodology, subject matter expertise, and professional qualifications are ideally suited to helping you achieve your examination goals.

IA Group assists the States with its audits by identifying new audit targets in untapped industries. Our in-depth knowledge of unclaimed property as it relates to all states, our years of experience across industries, and our extensive data mining capabilities to extract data across the holders' different financial systems are all factors that make our firm successful. These factors will benefit West Virginia by increasing the volume and the chances of reuniting more property with its rightful owners. Our project management methodology would provide you with visibility of real time audit status, which results in efficient examinations for your team. We believe that our methodology, subject matter expertise, and professional qualifications are ideally suited with assisting you achieve your annual examination goals.

We welcome the opportunity to collaborate with you on this critical initiative, and once again demonstrate our priority commitment to the State and their unclaimed property Owner's. We look forward to discussing our proposed approach, team and fees with you.

Thank you for your consideration and allowing us to propose on this opportunity. Should you have any questions about our proposal, or if you would like any additional information, please feel free to contact me at (732) 576-7710 or by email at [kdemilia@innovativeadvocate.com](mailto:kdemilia@innovativeadvocate.com).

Warm Regards,

Kelly A. D'Emilia  
President  
IA Group

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3 Harding Road • Suite E  
Red Bank, NJ 07701



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**IA Group provided responses and provided documentation responsive to the following:**

**3. QUALIFICATIONS:** Vendor, or Vendor's staff if requirements are inherently limited to individuals rather than corporate entities, shall have the following minimum qualifications. By signing and submitting its bid, Vendor certifies that it has the minimum qualifications. Vendor shall provide complete responses to each requirement and provide any additional information as requested in this section. All required documents should be provided with Vendor's bid and shall be provided within 24 hours of request.

**3.1. Organization:** The Vendor must be of sufficient size and organization to provide the Services required by the STO. Describe the Vendor, discussing organizational structure, size, ownership, experience and the Vendor's ability, capacity and qualifications for performing the services contemplated by this RFQ.

**Organizational and Operational Structure:**

IA Group currently has 18 employees' including internal counsel and a data scientist who are dedicated to unclaimed property recovery services. The following are key person(s) who will take the most active role(s) in the administration and management of any contract resulting from this RFP.

- **President (1):** participates in all exams, maintains direct relationships with holders and State administrators, ensures compliance of policies and procedures, drives audit schedule and compliance, and sign off on all document review and calculations.
- **Manager (1):** participates in all exams, works directly with associates on audit issues, participates on bi-weekly holder updates and status calls, reviews all documentation provided by holder with associates, reviews draft workpapers and calculations, ensures compliance of policy and procedures, and drives audit schedule and compliance, catalogs and reviews holder's documentation, analyzes holder's financial information, communicates regularly with holders, reviews call notes, schedules data, and prepares calculations and final reports.
- **Senior Associate (1):** participates in approximately 50% of exams, works directly with associates on audit issues, catalogs and reviews holder's documentation, analyzes holder's financial information, communicates regularly with holders, participates in



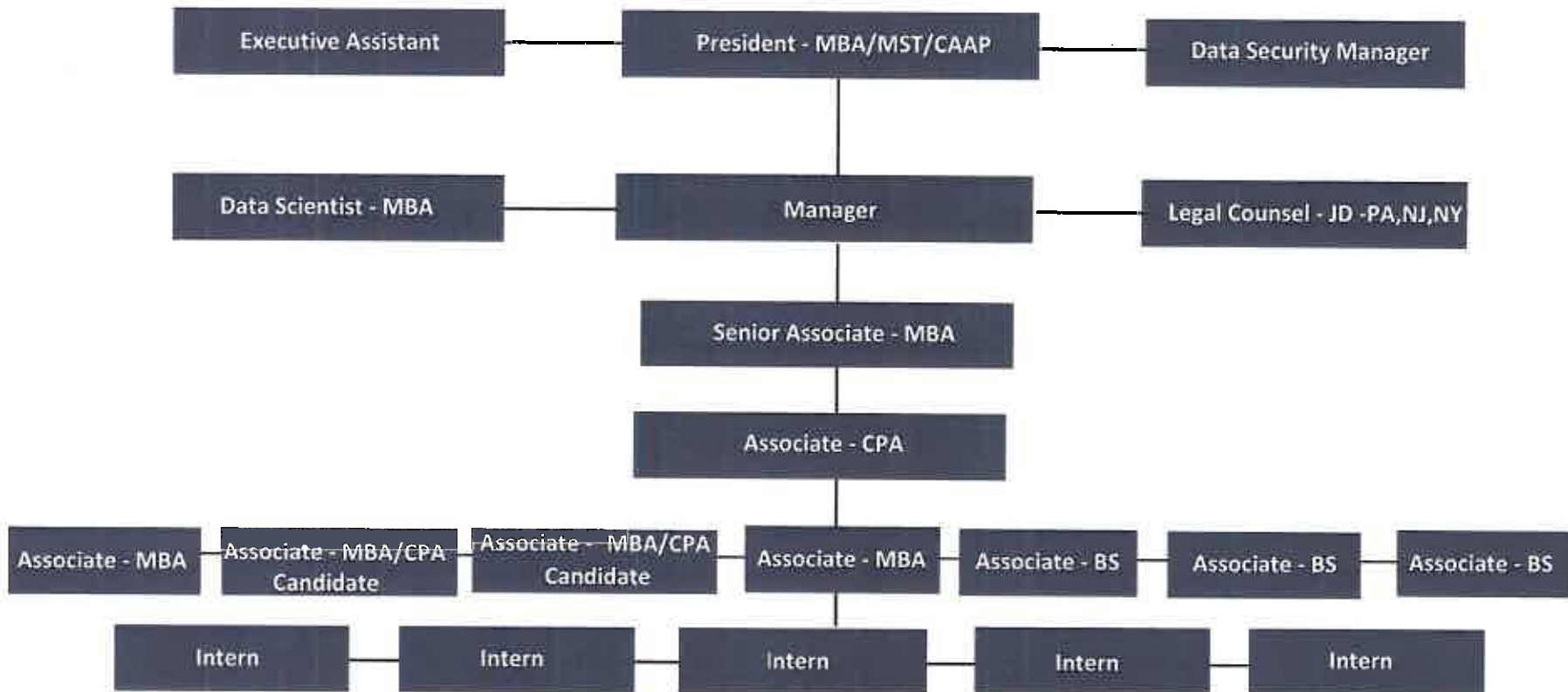
**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

- conference calls, reviews call notes, schedules data, and prepares calculations and final reports.
- Associate (8): each associate participates in approximately 15 exams, catalogs and reviews holder's documentation, analyzes holder's financial information, communicates regularly with holders, participates in conference calls, prepares call notes, schedules data, and prepares calculations and final reports.
- Intern (5): IA Group offers college and high school internship programs. Each internship program offers students the opportunity to learn and assist IA Group associates in different areas of review. Internships include but are not limited the review of Form 1120 and 851, balance sheet accounts, preparation of audit work papers, identification of potential holders for audit, etc...
- Legal Counsel (1): consultation and advice regarding general legal and corporate matters, contract review and compliance, human resource and employment counseling, consultation and advise AUP matters, review of Non-Disclosure Agreements.
- Data Security Manager (1): maintains website and server, responsible for employee computer assistance, ensures internal and network security.
- Data Scientist (1): converts documentation to standard file formats, assists in ERP forensics, develops the statistical methodology and templates, prepares data population for statistical sample.

*Please see attached organizational chart with respective role descriptions.*

# Innovative Advocate Group, Inc. - Internal Organization Chart, 2017



# Organization

## Org Chart Description:

### *President/Owner*

- Maintains direct relationship with holders and state administrators
- Sign off on all document review and calculations
- Monitors regulatory changes that effect industry – i.e. bankruptcy law, FAS 404
- Ensures compliance of policies and procedures
- Drives audit schedule and compliance
- Research and investigate new business targets
  - Property types
  - Holders
- Responsible for interviewing/hiring/training



# Organization

## Org Chart Description:

### *Executive Assistant*

- Prepares comprehensive holder background research
- Prepares invoicing
- Copying/filing/scanning
- Monitoring time and expense
- Assists with employee hiring

# Organization

## Org Chart Description:

### *Manager*

- Works directly with associates on audit issues
- Participates in bi-weekly holder updates and status calls
- Reviews all documentation provided by holder with associates
- Reviews draft work papers and calculations
- Ensures compliance of policies and procedures
- Drives audit schedule and compliance
- Research and investigate new business targets
  - Property types
  - Holders



# Organization

## Org Chart Description:

### *Legal Counsel*

- Consultation and advice regarding general legal and corporate matters
- Contract review and Compliance
- Human Resource and employment counseling
- Consultation and advise on AUP matters
- Review of Non-Disclosure Agreements

# Organization

## Org Chart Description:

### *Data Security Manager*

- Maintains website and server
- Responsible for employee computer assistance
- Ensures internal and network security

# Organization

## Org Chart Description:

### *Data Scientist*

- Converts documentation to standard file formats
- Assists in ERP forensics
- Develops the statistical sample methodology and templates
- Prepares data population for statistical sample

# Organization

## Org Chart Description:

### *Associates*

- Catalogs and reviews holder's documentation
- Analyzes holder's financial information
- Communicates regularly with holders
- Participates in conference calls
- Prepares call notes
- Schedules all data
- Prepares calculations/stat samples and final reports

# Organization

## Org Chart Description:

### *Interns*

#### **College Internship Program**

- 1120 reviews
- 851 reviews
- Review of balance sheet accounts
- Preparation of audit work papers
- Review of AR Agings and tie outs to G/L accounts
- Research of public companies to determine the stock transfer agent
- Research of companies to determine state/date of inc., revenues and company officers
- Prepares correspondences to audit companies as well as clients.
- Participates on conference calls with audit companies

#### **High School Senior Internship Program**

- Gain proficiency in Microsoft, Outlook, Excel, Powerpoint and Adobe
- Develop familiarity with tax returns
- Experience various aspects of the auditing process
- Hands on work with clients



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**3.2. Licenses:** Vendor must be properly licensed and in good standing with all regulatory and governmental entities. Vendor must submit copies of all required business licenses, certificates and/or registrations upon request or as a matter of proof that it meets certain criteria in order to be considered responsive and responsible.

*Please see attached Business licenses certificates and/or registrations.*



10/21/14

Taxpayer Identification# 471-193-562/000

Dear Business Representative:

Congratulations! You are now registered with the New Jersey Division of Revenue.

Use the Taxpayer Identification Number listed above on all correspondence with the Divisions of Revenue and Taxation, as well as with the Department of Labor (if the business is subject to unemployment withholdings). Your tax returns and payments will be filed under this number, and you will be able to access information about your account by referencing it.

Additionally, please note that State law requires all contractors and subcontractors with Public agencies to provide proof of their registration with the Division of Revenue. The law also amended Section 92 of the Casino Control Act, which deals with the casino service industry.

We have attached a Proof of Registration Certificate for your use. To comply with the law, if you are currently under contract or entering into a contract with a State agency, you must provide a copy of the certificate to the contracting agency.


If you have any questions or require more information, feel free to call our Registration Hotline at (609)292-9292.

I wish you continued success in your business endeavors.

Sincerely,



James J. Fruscione  
Director  
New Jersey Division of Revenue

STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE		DEPARTMENT OF TREASURY/ DIVISION OF REVENUE PO BOX 252 TRENTON, N J 08646-0252
TAXPAYER NAME: INNOVATIVE ADVOCATE GROUP INCORPORATED	TRADE NAME:	
ADDRESS: 3 HARDING ROAD SUITE E RED BANK NJ 07701-2024	SEQUENCE NUMBER: 1887377	
EFFECTIVE DATE: 07/11/14	ISSUANCE DATE: 10/21/14	
	 Director New Jersey Division of Revenue	
FORM-BRC (04-08), D295546V	This Certificate is NOT assignable or transferable...It must be conspicuously displayed at above address	



**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF REVENUE AND ENTERPRISE SERVICES  
SHORT FORM STANDING**

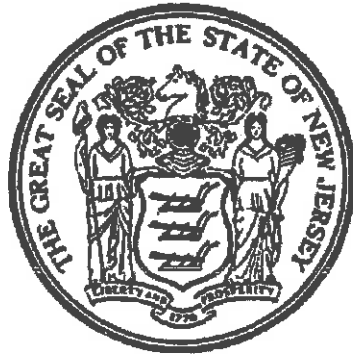
**INNOVATIVE ADVOCATE GROUP INCORPORATED  
0400668941**

*I, the Treasurer of the State of New Jersey, do hereby certify that the above-named New Jersey Domestic For-Profit Corporation was registered by this office on June 25, 2014.*

*As of the date of this certificate, said business continues as an active business in good standing in the State of New Jersey, and its Annual Reports are current.*

*I further certify that the registered agent and office are:*

**KELLY D'EMILIA  
3 HARDING ROAD  
SUITE E  
RED BANK, NJ 07701-2024**



*IN TESTIMONY WHEREOF, I have  
hereunto set my hand and affixed  
my Official Seal at Trenton, this  
30th day of March, 2017*

**Ford M. Scudder  
Acting State Treasurer**

**Certificate Number : 6078719611**

**Verify this certificate online at**

**[https://www1.state.nj.us/TYTR\\_StandingCert/JSP/Verify\\_Cert.jsp](https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp)**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/8/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Mogil Organization LLC 116 East 27th Street 9th Floor New York NY 10016-8942	<b>CONTACT NAME:</b> Nicole Cruz <b>PHONE (A/C No, Ext):</b> (212) 252-7100 <b>FAX (A/C No):</b> (212) 252-7115 <b>E-MAIL ADDRESS:</b> nicole.cruz@mogil.com	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Innovative Advocate Group Inc 3 Harding Rd Ste E Red Bank NJ 07701	<b>INSURER A:</b> Hartford Insurance Group NAIC # 19682	
	<b>INSURER B:</b> Hanover Insurance Companies 22292	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES** CERTIFICATE NUMBER: 17-18 Master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSO	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			10SBATS6259	2/20/2017	2/20/2018	EACH OCCURRENCE \$ 1,000,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:							MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PERSONAL & ADV INJURY \$ 1,000,000	
	OTHER:						GENERAL AGGREGATE \$ 2,000,000	
							PRODUCTS - COMP/OP AGG \$ 2,000,000	
							Employee Benefits Liability \$ \$2,000,000	
A	<b>AUTOMOBILE LIABILITY</b>			10SBATS6259	2/20/2017	2/20/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
	<input type="checkbox"/> ANY AUTO ALL OWNED AUTOS						BODILY INJURY (Per person) \$	
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS						BODILY INJURY (Per accident) \$
								PROPERTY DAMAGE (Per accident) \$
							\$	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			10SBATS6259	2/20/2017	2/20/2018	EACH OCCURRENCE \$ 4,000,000	
	<input type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR						AGGREGATE \$ 4,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$	<input type="checkbox"/> CLAIMS-MADE						\$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>			10WBCAA0D91	2/20/2017	2/20/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A					E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
								E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	<b>Professional Liability</b>			LHYD162360	2/20/2017	2/20/2018	Each Claim \$1,000,000	
	Deductible \$15,000						Aggregate \$3,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## CERTIFICATE HOLDER

## CANCELLATION

Evidence of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Nicole Cruz/CRU



Professional Liability Coverage Part Declarations

NOTICE

MANY OF THE PROFESSIONAL LIABILITY COVERAGE PARTS ARE WRITTEN ON A CLAIMS MADE BASIS, AND AS SUCH, TO ALL PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Named Insured: Innovative Advocate Group, Inc.

Policy Number: 596616814

Policy Period: 9/21/2016 to 9/21/2017

Item 1. Policy Year Limits of Liability and Retentions (inclusive of Defense Costs). Regardless of the Option selected, as indicated by a checked box, please refer to the Coverage Schedule below for applicable Coverage Parts.

The Coverage Parts designated below are issued with the Limits of Liability and Retention Option selected below:

- Single Limit of Liability and Scheduled Retentions: Single Limit of Liability\* \$1,000,000 / \$1,000,000 Scheduled Retentions Refer to Column 3 below
Scheduled Limits of Liability and Scheduled Retentions: Scheduled Limits of Liability Refer to Column 2 below Scheduled Retentions Refer to Column 3 below

Table with 6 columns: Coverage Part, Scheduled Limits of Liability Per Claim or Privacy Event/Aggregate Limit, Scheduled Retentions Per Claim, Retroactive Date, Policy Year Premium, Policy Period Premium. Rows include Network Security Liability, Broad Form Privacy Liability, Sub Limits (Privacy Event Expenses, Privacy Regulatory Proceeding, Network Extortion Expenses).

\* Single Limit applies to claims made coverage parts only. If an occurrence coverage part is selected the limit for that coverage part is a separate scheduled limit.

NOTE: The premium shown on this Declarations page does not include Surcharges or Taxes, if applicable.

Authorized Representative:

John S. Brand

Date:

08/25/2016



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

**3.3. Location:** Vendor must be authorized to conduct business in the State of West Virginia. All assets and data relating to the STO must be maintained in a facility located within the United States of America. Describe the physical location of the facility from which the Services will be provided and the nature of all business conducted from that facility.

IA Group is currently located and operates out of the following location:

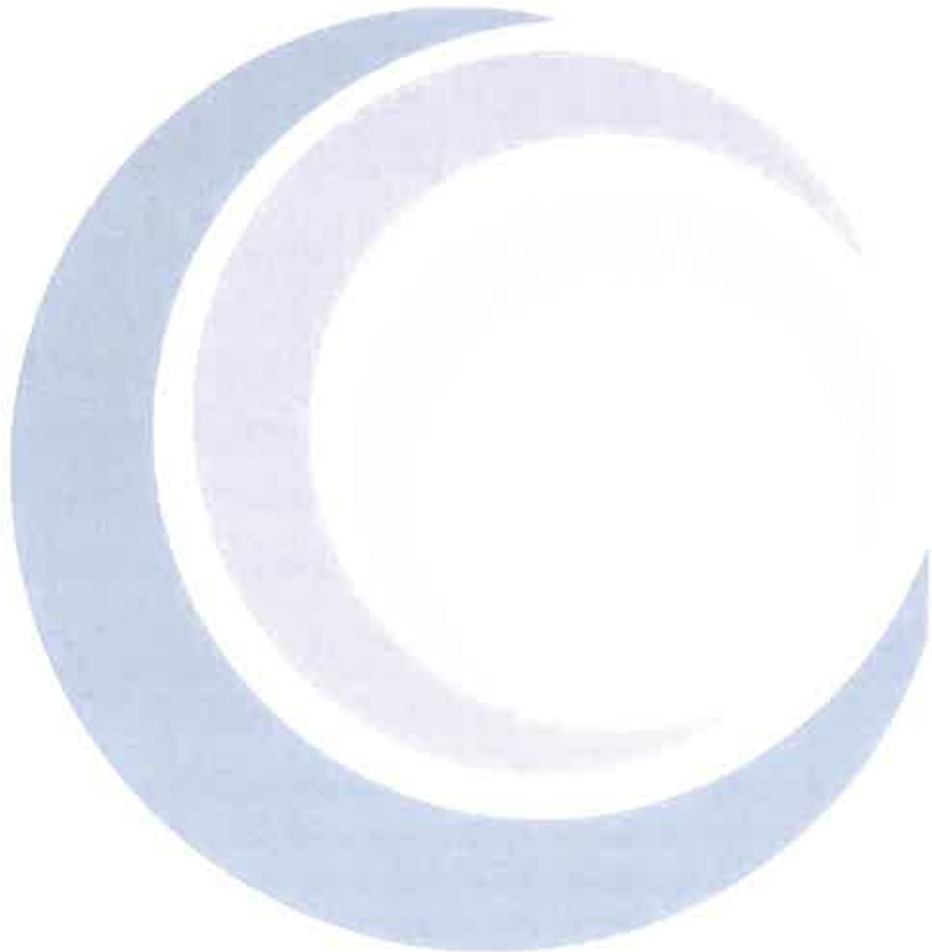
Innovative Advocate Group, Inc. ("IA Group")

3 Harding Road, Suite E

Red Bank, NJ 07701

All projects will be managed from this location.

*Please see attached Business Registration for The State of West Virginia.*





JIM JUSTICE  
GOVERNOR

STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
PURCHASING DIVISION  
2019 WASHINGTON STREET, EAST  
CHARLESTON, WEST VIRGINIA 25305-0130

JOHN A. MYERS  
CABINET SECRETARY

W. MICHAEL SHEETS  
ACTING DIRECTOR

INNOVATIVE ADVOCATE GROUP INC  
3 HARDING RD STE E  
RED BANK, NJ 07701

MAY 19, 2017

DEAR MS. SABATINO,

THIS IS TO NOTIFY YOU THAT YOUR REQUEST FOR CERTIFICATION AS A SMALL BUSINESS, A WOMEN-OWNED BUSINESS, OR A MINORITY-OWNED BUSINESS, HAS BEEN APPROVED ON THE BASIS OF YOUR REPRESENTATIONS THAT THE VENDOR NAMED ABOVE MEETS THE DEFINITION OF A SMALL BUSINESS, A WOMEN-OWNED BUSINESS, OR A MINORITY-OWNED BUSINESS AS SET FORTH IN THE WEST VIRGINIA CODE OF STATE RULES 148-22-1, ET SEQ. THIS CERTIFICATION BECOMES EFFECTIVE:

5/19/2017

AND SHALL AUTOMATICALLY EXPIRE WITHOUT NOTICE TWO YEARS AFTER THE EFFECTIVE DATE UNLESS REVOKED BY THE PURCHASING DIRECTOR OR UPON EXPIRATION PURSUANT TO CSR 148-22-8. TYPE OF CERTIFICATION:

\*Women Owned Business\*      \*Small Business\*

TO MAINTAIN CERTIFICATION WITHOUT LAPSE, A CERTIFIED BUSINESS SHALL APPLY TO RENEW ITS CERTIFICATION AT LEAST 60 DAYS PRIOR TO THE END OF THE TWO-YEAR CERTIFICATION PERIOD. COMPLETE RENEWAL INSTRUCTIONS, RECERTIFICATION FORMS, AND A LIST OF ALL CERTIFIED BUSINESSES ARE AVAILABLE ONLINE AT:

[HTTP://WWW.STATE.WV.US/ADMIN/PURCHASING/VENDORREG.HTML](http://www.state.wv.us/admin/purchasing/vendorreg.html)

IF YOU HAVE QUESTIONS, CONTACT THE PURCHASING DIVISION AT 304-558-2306.

SINCERELY,

LU ANNE COTTRILL

ACTING VENDOR REGISTRATION

WV PURCHASING DIVISION



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

**3.4. Quality Control Review Litigation:** The Vendor must have favorable quality control reviews for its work. The Vendor's external quality control review contents should provide either a positive or a non-negative review of the Vendor. Desk reviews or field reviews of the Vendor and litigation must not reflect poorly on the work of the Vendor. Vendor should provide all quality control reviews of the Vendor's work for the past two (2) years with the bid, however, this information may be required prior to contract award.

IA Group is in the process of obtaining a quality control review reporting that we are providing quality audits in accordance with all applicable standards. This information will be provided to the State of West Virginia prior to contract award.

**3.5. References:** The Vendor must have satisfactory references. Please provide the names of at least three (3) references from governmental agencies which administer unclaimed property programs. The references must show that the Vendor has previously conducted unclaimed property audits in a competent and professional manner, or must otherwise demonstrate the ability of the Vendor to perform the Services specified in this RFQ. If a subcontractor or primary Vendor quotation is made the Vendor should provide one (1) client reference for each of the parties involved. The Vendor must provide the name and telephone number of each contact person for each of the clients specified. The STO reserves the right to contact any person or entity it believes prudent and to inquire about the Vendor.

### **REFERENCES**

#### **The State of Delaware**

**Delaware Division of Revenue Bureau of Unclaimed Property**

**Bureau of Abandoned Property**

**Contact: Michelle Whitaker**

**Address: 820 North French Street, Wilmington, DE 19801-3509**

**Telephone Number: (302)577-8776**

**Email: [michelle.whitaker@state.de.us](mailto:michelle.whitaker@state.de.us)**

**Services Provided: Examination and identification of abandoned property from Holders that are subject to report and deliver said property under the Delaware Abandoned Property Law.**

#### **The State of Arkansas**

**State of Arkansas State of Arkansas Unclaimed Property Division**

**Contact: Josh Wood**

**Address: 501 Woodlane Street, Little Rock, Arkansas 72201**

**Telephone Number: (501) 371-2129**





**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

**Services Provided:** Examination and identification of abandoned property from Holders that are subject to report and deliver said property under the Arkansas Abandoned Property Law.

**The State of Massachusetts**

State of Massachusetts Unclaimed Property Division

**Contact:** Judy Franchi

**Address:** 1 Ashburton Place, 12th floor, Boston, Massachusetts 02108

**Telephone Number:** (617) 367-9333

**Services Provided:** Examination and identification of abandoned property from Holders that are subject to report and deliver said property under the Massachusetts Abandoned Property Law.

**3.6. Experience:** The Vendor must have at least three (3) years' experience in providing unclaimed property audit services for state governments. Please describe the Vendor's experience, including years of providing audit services and the nature of the Vendor's current customers and the types of industries in which it has auditing experience. Disclose and discuss any specialized audit or asset-locating policies and procedures related to unclaimed property audits.

Kelly D'Emilia, President of Innovative Advocate Group, Inc. ("IA Group"), began her career in the corporate account group of Sun Oil Company in Philadelphia, PA. Kelly moved into public accounting at Arthur Andersen LLP, in New York City, working in its Federal and State and Local Tax Group, specializing in Sales and Use Tax. From Arthur Andersen LLP, Kelly then moved onto PricewaterhouseCoopers LLP where she led the State and Local Abandoned and Unclaimed Property ("AUP") practice as one of its AUP Leader. Kelly has over 20 years' experience with abandoned and unclaimed property. Kelly has participated in and spoken at Lorman Education Seminars, COST Seminars, UPPO (Unclaimed Property Professional Organization), Tax Executive Institute, as well as other various seminars and webinars.

Kelly assisted companies with various state abandoned and unclaimed property issues; including quantifying abandoned and unclaimed property exposure, voluntarily disclosing historical unclaimed liability for various states, audit defence proceedings with various states, developing company's policies and procedures in response to Sarbanes/Oxley requirements, implementing AUP systems designed to facilitate the abandoned and unclaimed property compliance process, and determining calculations for balance sheet reserve requirements. Kelly has worked with the oil and gas, entertainment, construction, food service, private equity, financial services, and retail industries, among others.

IA Group, which Kelly founded in 2013, is a woman-owned business. It distinguishes itself from other providers through its experience in both private and public accounting sectors.





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Specifically, within the area of AUP, IA Group is able to apply general accounting concepts to reviews of General Ledger property as well as financial services related concepts and rules to the equity or managed asset areas ("equity").

*Please see attached Woman-Owned Business Certification Certificate.*





## State of New Jersey

**CHRIS CHRISTIE**  
*Governor*

DEPARTMENT OF THE TREASURY  
DIVISION OF REVENUE  
P.O. BOX 026

**KIM GUADAGNO**  
*Lt. Governor*

TRENTON, NJ 08625-034  
PHONE: 609-292-2146 FAX: 609-984-6679

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*

### **CERTIFIED**

*under the*

Small Business Set-Aside Act and Minority and Women Certification Program

This certificate acknowledges **Innovative Advocate Group** is a WBE owned and controlled company, which has met the criteria established by N.J.A.C. 17:46.

This certification will remain in effect for three years. Annually the business must submit, not more than 20 days prior to the anniversary of the certification approval, an annual verification statement in which it shall attest that there is no change in the ownership, control or any other factor of the business affecting eligibility for certification as a minority or women-owned business.

If the business fails to submit the annual verification statement by the anniversary date, the certification will lapse and the business will be removed from the SAVI that lists certified minority and women-owned business. If the business seeks to be certified again, it will have to reapply and pay the \$100 application fee. In this case, a new application must be submitted prior the expiration date of this certification.



Andrew Pantelides  
Assistant Director

Issued: October 16 2014  
Certificate Number: 66139-10

Expiration: October 15, 2017



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

### **3. 7. Staff Qualifications**

**3.7.1. Experienced Staff:** The Vendor must provide experienced staff. All personnel assigned to examinations for the STO must have at least one (1) year of auditing experience in unclaimed property auditing. Vendor should include, with the bid, the names and contact information of the specific staff to be assigned to the STO contract and a resume for each staff member listed. Include any information such as whether any personnel available for the engagement have articles published in professional journals, conduct or teach seminars, conferences, college-level courses, etc., or sit on professional accounting firms, auditing boards or committees. This information may be required prior to contract award.

#### ***Experienced Staff***

- *Suzanne Tardy, CPA/ Associate*
- *Tory Manfre, cAssociate*
- *Kaitlyn Skudera, Associate*
- *Michael Lubischer, Associate*
- *Karen Carson, Associate*
- *Gerard Meyer, Associate*
- *Cathleen Coleman, Associate*

*Please see attached staff resumes.*





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**Suzanne P. Tardy, Associate**

Education:

**RUTGERS UNIVERSITY**

**School of Business**

New Brunswick, NJ

Bachelor of Science, Accounting, May 1992

Licenses:

Certified Public Accountant

Relevant Experience:

05/16- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

Associate:

- Analyze and review financial statements and documents provided by holders including Forms 1120 and 851.
- Review documentation provided by holder.
- Prepare audit work papers for the State and holder.
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

11/97- 03/01 **TUMI, INC., SOUTH PLAINFIELD, NJ**

Finance Department Manager

- Responsible for all aspects of domestic and foreign branch offices financial reporting including budgeting, sales analysis, balance sheet reconciliations and operating expense variance analysis.
- Assist in the U.S. company's year-end audit, including preparation of work papers, elimination entries, consolidated financial statements and supplemental notes.
- Perform monthly budget variance analysis for Asia offices, including locations in Hong Kong, Korea and Taiwan.



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- Evaluate consolidated tax issues regarding the use of foreign tax credits.
- Analyze and implement foreign currency trading programs relating to the transfer of funds from the German branch office.

11/92- 11/97 **FREIDMAN LLP, NEW YORK, NY**

Senior Accountant

- Perform external audits for diverse organizations with extensive experience in the Apparel, Textile and Real Estate industries.
- Responsible for all phases of audits, reviews, compilations and agreed-upon procedures, including budgeting, planning, scheduling and coordinating.
- Draft and evaluate financial statements in accordance with Generally Accepted Accounting Principles, or in conformity with a comprehensive basis of accounting other than GAAP.
- Evaluate and critique clients' internal control and accounting systems through system reviews, tests of compliance, and special audit procedures. Presented conclusions and recommendations to management.
- Research and prepare personal, partnership and corporate tax returns. (Including "Subchapter S" corporations)



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## **Tory Manfre, Associate**

### Education:

#### **MONMOUTH UNIVERSITY**

Long Branch, NJ

Bachelor of Science in Business Administration: Accounting, May 2015

### Relevant Experience:

08/16- Present **INNOVATIVEADVOCATE GROUP, INC., RED BANK, NJ**

#### Associate:

- Analyze and review financial statements and documents provided by holders including Forms 1120 and 851
- Review documentation provided by holder
- Prepare audit work papers for the State and holder
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts
- Conduct background research about company clients under audit
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging report.

2014- 7/16 **VICTORIA'S SECRET, LONG BRANCH, NJ**

#### Operations and Supervisor:

- Manage store operations
- Process, audit and organize company documents
- Responsible for completing and auditing all hiring documents
- Key holder - Opening and closing store
- Use Microsoft Excel and Word to communicate to supervisors
- Manage supply and payroll budgets
- New hire training
- Sales
- Lead Cashier – Open and settled cash registers
- Implemented floor sets and maintained visual marketing displays



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## **Kaitlyn Skudera, Associate**

### **Education:**

**MONMOUTH UNIVERSITY**

Long Branch, NJ

Bachelor of Science in Accounting & Business Administration, 2017

### **Relevant Experience:**

6/16 - Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

#### **Associate:**

- Analyze and review financial statements and documents provided by holders including Forms 1120 and 851.
- Review documentation provided by holder.
- Prepare audit work papers for the State and holder. Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State Request for Proposals for Abandoned and Unclaimed Property contracts.
- Create and analyze documents necessary to complete the examination, including: entity revenue matrices, outstanding account balance reviews, trial balances, and aging reports

9/15-12/15 **MONMOUTH UNIVERSITY, LONG BRANCH, NJ**

#### **Information Tech Lab Assistant**

- Assist the professor with answering questions students may have about the material being taught.
- Notify the Computer Science and Software Engineering Department about technical issues.

5/15-9/15 **OCEAN BEACH CLUB, NJ**

#### **Accounting Intern:**

- Entered data into the Accounts Receivable and Payable systems.
- Maintained Excel spreadsheets for various payment processes.
- Processed all employee payroll files and generated reports through Excel.

1/15-4/15 **BERNICKER, EIGER & CO.**

#### **Tax Preparation Intern:**

- Collaborated with management to prepare tax returns.
- Maintained records and processed important confidential documents.
- Reconciled and balanced reports using QuickBooks.





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**Michael L. Lubischer, Associate**

Education:

**MONMOUTH UNIVERSITY**

Long Branch, NJ

Bachelor of Science in Business Administration: Accounting, May 2014

Relevant Experience:

05/16- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

Associate:

- Analyze and review financial statements and documents provided by holders including Forms 1120 and 851.
- Review documentation provided by holder.
- Prepare audit work papers for the State and holder.
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

11/15- 05/16 **CAPITAL ONE BANK, ABERDEEN, NJ**

Universal Branch Associate

- Manage branch operations and cash handling.
- Maintain a continued understanding of financial markets and economic trends.
- Assist in Home Equity processing and closings.
- Educate banking customers on growing digital financial tools and trends.
- Direct partnership with financial advisors with establishing investments.

08/14- 08/15 **WELLS FARGO BANK, MONMOUTH BEACH, NJ**

Personal Banker

- Uncovered consumer and business customers' financial needs.
- Educated customers on credit and spending.
- Managed sales goals and exceeded expectations.



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- Developed and expanded community outreach efforts
- Visited local businesses to educate owners on best banking practices

**06/14- 08/14 WELLS FARGO CONSUMER LENDING GROUP, RED BANK, NJ**  
*Consumer Lending Intern*

- Gathered company market share data in the Home Mortgage segment.
- Analyzed Excel charts, spreadsheets, and graphs.
- Oversaw a remote group assigned to develop a recruitment strategy.
- Contacted top producing Mortgage Consultants for sales tactics and regulatory practices.
- Presented research analysis to company executives.





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### **Karen Carson, Associate**

#### Education:

**MARIST COLLEGE**

Poughkeepsie, NY

B.S., Cum Laude, Business Administration: Marketing 1997

#### Relevant Experience:

05/16- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

##### *Associate:*

- Analyze and review financial statements and documents provided by holders including Forms 1120 and 851.
- Review documentation provided by holder.
- Prepare audit work papers for the State and holder.
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

1/07-Present **Independent Contractor, RED BANK, NJ**

##### *Bookkeeping and Payroll Services:*

- Full Service Bookkeeping experience including: accounts receivable; accounts payable; payroll services; invoicing; bank reconciliations; financial analysis; and financial reporting.
- Clients include Bars/Restaurants, Real Estate Agents and local businesses. Responsibilities include paying vendor invoices, bank reconciliations, making tax payments, weekly payroll and cash flow reporting.
- Successfully complete requested services within or ahead of clients' requested timeframes.
- Proficient in QuickBooks.

1/04-9/06 **News America Marketing, NEW YORK, NY**

##### *Custom Publishing Media Director*

- Supervised and trained a staff of 10.
- Developed customized print distribution plans for clients.
- Negotiated print advertising rates and contracts with newspapers for custom inserts.



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## **Gerard Meyer, Associate**

### Education:

#### **MONTCLAIR STATE UNIVERSITY**

Montclair, NJ

Bachelor of Science Administration; Concentration in Accounting, May 2012

### Relevant Experience:

01/16- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

#### Associate:

- Analyze and review financial statements and documents provided by Holders including Forms 1120 and 851.
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

12/14-12/16 **NJ DEPARTMENT OF LABOR, NEW BRUNSWICK, NJ**

#### Payroll Auditor:

- Manage a personal inventory of approximately 75 cases using Oracle's DOL specific Audit Application.
- Navigate Employer Accounts System to perform various pre-audit research techniques.
- Examine employer tax returns and other payroll records to assess compliance with New Jersey Unemployment Compensation Law.
- Reconcile tax returns and quarterly payroll reports to the reported NJ-927's.
- Investigate unreported payroll expenses for proper classification.
- Develop spreadsheets for analysis of certain large employers to formulate final tax assessments.
- Apply NJUC Laws in explaining and presenting audit findings to employer and/or representative.



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**10/13-12/14 LAW OFFICES OF HAYT, HAYT & LANDAU, EATONTOWN, NJ**

Data Entry Clerk:

- Work daily with an automated system to carry out litigation process for debt collection attorneys on over 250 Thousand accounts
- Create queries to generate daily, monthly and weekly reports
- Extract data through system merge to fulfill managerial requests
- Compare and analyze spreadsheets through V – Look – Ups and Pivot Tables
- Work diligently to meet strict deadlines set forth by management

**1/13-10/13 LIBERTY TAX SERVICE, HAZLET, NJ**

Certified Level II Tax Preparer:

- Computed taxes owed by following tax code
- Prepared or assisted in preparing simple to complex individual tax returns
- Interviewed clients to get a thorough picture of financial situation to obtain maximum refund allowed by federal and state law
- Consulted tax law handbooks for especially difficult tax returns

**ADDITIONAL EXPERIENCE**

**1977-1979** Law Clerk to the Honorable James T. Foley, Chief Judge

**1976** United States Attorney's Office (Southern District of New York),  
Student Assistant (Criminal Short Trials Unit)





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## **Cathleen E. Coleman, Associate**

### Education:

#### **BARUCH COLLEGE, CITY UNIVERSITY OF NEW YORK**

New York, NY

Bachelor of Business Administration – Finance, February 1992

### Relevant Experience:

06/16- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

#### Associate:

- Analyze and review financial statements and documents provided by Holders including Forms 1120 and 851.
- Monitor audit status and contact holder for outstanding documentation requests.
- Research, prepare, and submit State RFPs for Abandoned and Unclaimed Property contracts.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

10/88 – 6/96 **SMITH BARNEY, ASSET MANAGEMENT, NEW YORK, NY**

#### Vice President, Assistant Vice President, Marketing Assistant:

- Created client presentations for Rate of Returns, compound interest and capital gains.
- Reported monthly, quarterly and yearly gains/losses for high net worth individuals, mutual funds pensions and Taft-Hartley accounts.



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**3.7.2. Partner & Supervisory Qualifications:** The Vendor must identify and all principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the audit engagements.

***Supervisory and Management Team***

- *Kelly D'Emilia, President*
- *Jennifer Appolonia, Manager*
- *Steven Wood, Senior Associate*
- *Robert D'Emilia, Internal Counsel*
- *Nissim Yehuda, Data Security Manager*
- *Moshe Naimi, Data Scientist*

*Please see attached Managerial resumes.*







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**Kelly D'Emilia, President**

Education:

**WIDENER UNIVERSITY**

Chester, PA

MBA with a concentration in Taxation, December 1996

Relevant Experience:

2/13-Current **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

President and Owner

- Maintains direct relationship with holders and state administrators.
- Manages all examinations.
- Supervises seniors, staff and associates.
- Sign off on all document review and calculations.
- Monitor regulatory changes that effect the industry.
- Ensures compliance of policies and procedures.
- Drives audit schedule and compliance.
- Research and investigate new business targets (property types, holders).
- Responsible for interviewing/hiring/training.

6/02-1/13 **PRICEWATERHOUSECOOPERS LLP, NEW YORK, NY**

State and Local Tax Director, Unclaimed Property

- Managed and responsible for \$9M FY'13 core AUP fees.
- Supervise and train 40 seniors, staff and associates.
- Participated and spoke at Lorman Education Seminars, COST Seminars, UPPO, among others.
- Assisted companies with quantifying abandoned and unclaimed property exposure.
- Negotiated voluntary disclosure arrangements for companies not in compliance for unclaimed property.
- Provided audit defense for companies with various states.
- Developed policies and procedures for companies in response to Sarbanes/Oxley requirements.
- Assisted in implementing AUP systems designed to facilitate the AUP compliance process.



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- Developed relationships with state contacts.

**2/98-6/02      ARTHUR ANDERSEN LLP, NEW YORK, NY**

**State and Local Tax Manager**

- Managed and responsible for \$1.2M FY'02 core sales tax fees.
- Supervise and train 3-5 seniors, staff and associates.
- Industry Liason for Transaction Tax Group. Responsible for developing internal relationships between Audit Partners/Managers and State & Local Tax Partners/Managers. Success based on net fees achieved by industry.
- Specialize in sales and use tax laws relating to the Construction, Utility and Technology, Media and Communication ("TMC") industries.
- Negotiated voluntary disclosure arrangements for companies not in compliance for various state taxes.
- Developed deep relationships with an emerging private telecom company, which went public on March 2000. Worked with company to prepare for its IPO and two acquisitions. Helped transform companies "quick books" G/L system into a more sophisticated G/L system for SEC purposes. Developed sales tax methodology for company to incorporate into new G/L system. Developed a compliance team for the company's tax reporting function and prepared manuals for company's accounts payable staff to use when making tax determinations.
- Supervised process mapping work flows of a significant utility company's tax department.
- Review state and local sales and use tax, excise tax, motor fuel tax, property tax and business tax returns for multi-jurisdictional companies.
- Presented sales and use tax training seminars focusing on Construction, TMC, and Utility industries.
- Assisted construction companies with developing procedures for tracking Industrial Development Agency ("IDA") benefits.
- Participate in the planning and analysis of state and local tax consequences of acquisitions, dispositions and mergers for clients.
- Research state and local tax issues of corporations and proposed tax saving alternatives to management.
- Experienced in excise tax laws such as motor fuel taxes.
- Developed a team to market motor fuel refund reviews for the New York highway use tax and Federal and State motor fuel tax.
- Responded to federal and state taxing authority information requests.



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- Assessed and improved data collection and analysis processes for multi-tiered corporations.
- Sales and use tax speaker for Lorman Education Group.

**5/97-2/98 AMERICAN EXPRESS, NEW YORK, NY**

*Tax Manager*

- Prepared sales and use tax returns for all subsidiaries of the company.
- Responsible for coordinating use tax accrual review.
- Developed processes to automated sales and use tax preparation.
- Automated sales and use tax return function by installing FastTax and worked with IT group to develop programs to download tax information received from general ledger into the new tax system.
- Researched tax issues for company and its subsidiaries.

**6/90 - 5/97 SUN OIL COMPANY, INC., PHILADELPHIA, PA**

*Senior Tax Accountant (9/95 - 5/97)*

- Prepared federal, state and local excise returns, franchise, sales and use, transportation, and environmental tax returns.
- Interpret federal and state tax laws and their impact on company policies and procedures.
- Prepared Puerto Rico excise tax return and interpret Puerto Rico tax law as it related to company.
- Coordinated the purchase of a tax software package that would be compatible with new general ledger system.
- Supervised tax analyzing research projects.
- Experienced federal and state motor fuel audits and sales and use tax audits from initial contact through appeal process.



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**Jennifer Appolonia, Manager**

**Education:**

**FAIRLEIGH DICKINSON UNIVERSITY**

Teaneck, NJ

Bachelor of Science; Concentration in Finance/Economics, May 2000 Graduated Cum Laude

**Relevant Experience:**

02/17- Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

**Manager:**

- Manages all examinations.
- Supervises seniors, staff and associates.
- Participates in status update calls with holder.
- Reviews all documentation provided by holder.
- Reviews draft work papers and calculations.
- Ensures compliance of policies and procedures.
- Drives audit schedule and compliance.
- Responsible for interviewing/training.
- Analyze and review financial statements and documents provided by Holders including Forms 1120 and 851.
- Monitor audit status and contact holder for outstanding documentation requests.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

06/13-11/16 **MICHAEL KORS, NEW YORK, NY**

**Senior Director:**

- Global Project Lead on the Revenue Recognition and Lease company projects.
- Partnered with 3<sup>rd</sup> party firm for technical guidance on specific subject areas.
- Led global project status meetings for Executive Steering Committees and Cross Functional Management Teams (Teams included Production (Wholesale and Retail), Sales, Marketing, Operations, Legal, Accounting, Tax, Real Estate and Construction) to understand current revenue contracts and lease agreements in order to recommend process, system and policy changes.
- Developed internal unclaimed property/escheatment policies and procedures for public companies' due diligence, document retention and filing procedures.





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- Led a global department responsible for developing global accounting and operating policies and procedures for a \$7-billion-dollar company.
- Partnered with the C-Suite and Executive Management Teams to prioritize the development of global policies and procedures.
- Partnered with External Reporting to confirm alignment with U.S. GAAP.
- Partnered with the internal audit and external audit to confirm alignment with internal control requirements.
- Developed the company's internal capitalization policy. Implemented a global online project timekeeping system, Replicon and enabled capitalization of \$8M in global salaries in compliance with U.S. GAAP.
- Developed process improvements reducing manual approval workflows and manual processes in Finance, Human Resources, and Supply Chain departments.
- Team member on global initiatives such as Procurement Strategy (corporate credit card program, purchasing card program and procure to pay processes).
- Manage a personal inventory of approximately 75 cases using Oracle's DOL specific Audit Application
- Examine employer tax returns and other payroll records to assess compliance with New Jersey Unemployment Compensation Law
- Reconcile tax returns and quarterly payroll reports to the reported NJ-927's
- Investigate unreported payroll expenses for proper classification
- Develop spreadsheets for analysis of certain large employers to formulate final tax assessments
- Apply NJUC Laws in explaining and presenting audit findings to employer and/or representative

10/08-05/13 **ERNST AND YOUNG, LLP**

*Risk Advisory Senior Manager*

- Managed a team of 20-40 business process and information technology auditors.
- Led an IPO issuer in developing an internal controls framework, SOX compliance program to support the public offering. Assisted the VP of Internal Audit in developing the department's mission and purpose to support the company's compliance and audit goals.
- Assisted companies with defining and documenting SOX related policies and procedures including the SOX Governance Policy, SOX Application Scoping Procedures, and Review Procedures for Third Party Service Providers, etc.



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## **Steven Wood, Senior Associate**

### Education:

**PACE UNIVERSITY**

New York, NY

MBA with a concentration in Finance

### Relevant Experience:

3/8/16-Present **INNOVATIVE ADVOCATE GROUP, INC., RED BANK, NJ**

#### Senior Associate

- Supervises seniors, staff and associates.
- Participates in status update calls with holder.
- Reviews all documentation provided by holder.
- Reviews draft work papers and calculations.
- Ensures compliance of policies and procedures.
- Drives audit schedule and compliance.
- Responsible for interviewing/training.
- Analyze and review financial statements and documents provided by Holders including Forms 1120 and 851.
- Monitor audit status and contact holder for outstanding documentation requests.
- Conduct background research about company clients under audit.
- Create and analyze documents necessary to the audit process, including: entity revenue matrices, outstanding account balance reviews, VDAs, NDAs, trial balances, and aging reports.

2009-2012 **SMITH, GRAHAM & CO., NEW YORK, NY**

#### Senior Trader

- Consistently exceeded CIO's and Portfolio Managers' expectations for independent and team implemented best value trade executions for fixed income investment grade and high yield corporate bonds up to \$100 million.
- Enhanced securities executions by moving the firm from Tier 3 to Tier 1 relationships.
- Elevated the firm's profile in the marketplace as a result of providing higher quality level research and sales coverage.



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- Improved portfolio performance with increased value of buy side trades, creative and productive swap strategies and the introduction of real time market surveillance & research.
- Established more disciplined corporate bond trading protocols resulting in best execution on trades and minimized portfolio turnover costs.
- Assisted the Director of Fixed Income with introducing a cohesive process for portfolio decision making and securities selection around common goals, which enabled the team to react promptly to changing market conditions in an effort to maximize portfolio performance.
- Strengthened the firm's presence in the new issue capital market; instituted broker / dealer reviews.
- Known for possessing superb market insight and tenacious drive in sourcing and decisioning best execution.
- Partnered with compliance to ensure for adherence to portfolio guidelines and assisted in evaluating broker / dealers relationships.

**1989-2009      ARK ASSET MANAGEMENT CO. INC, NEW YORK, NY**

**Manging Director Senior Fixed Income Trader**

- Executed and presided over trade transactions for total AUM exceeding \$6.0 billion, comprised of Corporate / Government and Mortgage Backed Securities.
- Introduced optimal market opportunities in achievement of portfolio manager's objectives as a result of expert analysis of market conditions and transaction monitoring
- Performed above industry benchmarks in the execution of best relative value buy/sell decisions.
- Tenaciously sourced market intelligence to advance portfolio performance.
- As a direct report of the Chief Compliance Officer, ensured for compliance oversight of Fixed Income objectives, pricing, trading and executions; served as the final layer of compliance protection in determining trades for execution adhered to account guidelines for those participating in a particular transaction.





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## **Robert D'Emilia, Internal Counsel**

Admitted to Practice: State of New York, State of New Jersey, and Commonwealth of Pennsylvania as well as the Second and Third Circuits and the U.S. District Courts for the Southern, Eastern, Western and Northern Districts of New York and the District of New Jersey.

### Education:

#### **ST. JOHNS UNIVERSITY SCHOOL OF LAW**

Jamaica, NY

Academic Standing: Upper 3% (7/333); Juris Doctor, June 1977

Honors: Research and Projects Editor, St. John's Law Review

#### **VILLANOVA UNIVERSITY**

Villanova, PA

Academic Standing: 3.59 GPA

B.A. Honors Program (political science/history), cum laude, May 1974

### Relevant Experience:

6/14-Present **IA GROUP, RED BANK, NJ**

#### *In-house Counsel*

- Preparation and review of administrative documents including employee contracts, internal handbook, etc.
- Preparation of Non-Disclosure Agreements with holder.
- Participation in holder examinations as necessary.
- Review of legal documentation signed between IA Group and states.

2003-2011 **GT SYSTEMS, INC. / CORPORATE RESOURCE DEVELOPMENT, INC.**

- In-House Counsel to a conglomerate of more than 40 staffing/employment agencies (over \$200 million in sales) located in New York, New Jersey, Pennsylvania, Florida and Connecticut.
- Appearing in trial and appellate courts at both the state and federal levels without the need to retain outside counsel.
- Responsible for HR counseling, drafting of personnel policies, wage and hour compliance, HIPPA, immigration, contract negotiation and benefits administration.



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- Responsible for handling corporate legal matters including counseling, non-competition agreements, collection matters, unfair competition claims, corporate litigation, confidentiality and non-disclosure agreements, diversity and employment matters, CGL insurance issues and drafting agreements, corporate documents and leases.
- Managerial and supervisory experience.

### **2000-2002 FLEMMING, ZULACK & WILLIAMSON**

- Counsel to various corporate clients in connection with corporate and mass-tort matters.
- Appearing in trial and appellate courts at both the state and federal levels.

### **1998-1999 UNILEVER UNITED STATES, INC.**

- Senior Attorney, Litigation Counsel, and later Assistant General Counsel.
- Responsible for handling and/or management of claims and insurance, arbitrations and litigation on behalf of Unilever and its operating companies with respect to a variety of subjects including employment and labor, unfair labor practice charges, diversion of exported good, EEOC, NLRB, ERISA, counterfeit goods, intellectual property, tax, UCC and contract matters.
- Responsible for coordination of comprehensive general liability (product, automobile and general liability) and workers compensation matters with insurance and consumer services departments.

### **1979-1988 DAVIS POLK & WARDWELL**

- Broad experience in federal and state litigation including extensive deposition (taking and defending) and discovery practice.
- Arbitration, trial and appellate work.
- Labor relations (including contract negotiation); landlord/tenant and cooperative ownership relations; civil rights and employment discrimination; class actions; anti-trust, securities, product liability, construction, insurance and commercial litigation.



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**3.7.3. Continuation of Quality Staff:** Vendor shall provide quality of staff over the term of the contract and ensure that any new or additional staff members have the same qualifications, training and experience as the staff members. Vendor should provide this information in its bid to this RFQ. The Vendor shall inform the STO in writing of any personnel or staff changes that would affect the Services provided to the STO.

**Innovative Advocate Group, Inc. will inform the STO in writing of any personnel or staff changes that would affect the Services provided to the STO.**

**3.7.4. Subcontractors:** The Vendor must disclose any potential subcontractor in its bid to this RFQ. In the event the Vendor proposes providing the required Services through a subcontractor, the bid should include the name, address, contact information, experience and staff qualifications of the potential subcontractor. This information may be required prior to contract award. Any proposed subcontractor must meet the same mandatories to provide the Services in this RFQ prior to entering into any agreement with the Vendor. A bid that includes Services provided by a Subcontractor is not considered a joint bid. The STO will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor is solely responsible and liable for payment of all financial matters in connection with its employees, contractors and subcontractors.

**IA Group will not hire any subcontractors to perform Auditing work for the Company. All projects will be staffed by IA Group staff and all work will be performed by the IA Group.**

**3.8. Conflicts:** The Vendor must have no conflict of interest with regard to any other work performed by the Vendor for the State of West Virginia, the STO or any other agency, board or commission thereof. Furthermore, the Vendor shall not participate in examinations in which such participation could be construed as a conflict of interest.

**IA Group does not have any conflict of interest with regard to any other work performed by the Vendor for the State of West Virginia, the STO or any other agency, board or commission thereof. Furthermore, IA Group understands that it shall not participate in examinations in which such participation could be construed as a conflict of interest.**

#### **4. MANDATORY REQUIREMENTS:**

**4.1 Mandatory Contract Services Requirements and Deliverables:** Contract Services must meet or exceed the mandatory requirements listed below.



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**4.1.1 Specific Work Plan -Audits:** For each planned audit, the Vendor must set forth a work plan for the audit, including an explanation for the methodology to be followed and any specialized methodologies to be used by Vendor. The work plan must adhere to the guidelines in Exhibit D.

**4.1.2 Audits Examinations:** The Vendor must be able to conduct audit examinations of holders as required by the STO and in accordance with Exhibit D. The Vendor shall undertake to determine, report, and collect all types of unclaimed property in the possession of the Holder, within the scope of the audit. It shall be the Vendor's responsibility to review the records of such Holders of unclaimed property to determine if all property within the scope of the audit, held for owners with a last known address in West Virginia, or in the absence of records of owner names, where the Holder is domiciled in West Virginia, has been reported and remitted to the State. A list of property types and their applicable abandonment periods is attached as Exhibit B.

**4.1.3 Audit Authorization:** Prior to commencing an audit, Vendor must obtain written approval from the STO. The STO has the final and sole authority to determine who, if anyone, will conduct an examination of Holders. All unclaimed property funds or securities submitted by the Vendor or the Holder pursuant to an examination conducted without prior written approval from the STO shall be received by the STO without compensation to the Vendor.

**4.1.4 Standards:** The Vendor must comply with the professional standards required by the STO. The audit and identification of unclaimed property from the records of Holders, the processing of records and the demands for payment of the property to the STO shall be made in accordance with Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS) to the extent applicable to unclaimed property audits.

**4.1.5 Authority:** The Vendor must act only within the scope of authority granted to it by the STO. STO approval is required for the use of estimation in the absence of Holder records. Written STO approval must be obtained prior to estimation being undertaken.

**4.1.6 Timeframe:** The Vendor must comply with timeframes established by the





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STO. The Vendor shall schedule an assigned unclaimed property examination at a time mutually agreeable with the Holder; however, the examination shall commence no later than ninety (90) days after the notification to the Vendor of the assignment of the examination, except on a showing of good cause. The Vendor must complete the examination and submit the report to the STO within a reasonable time of the assignment of the examination, unless the Vendor receives a written extension from the STO.

**4.1.7 Act Requirements and Notices:** The Vendor must have a working knowledge and familiarity with the requirements of the Act so as to properly advise Holders of their obligations thereunder. The Vendor shall advise each Holder of the requirements of W Va. Code §36-8-7 for notifying owners of their property ("Due Diligence") and shall notify the STO if Due Diligence has not been carried out by a Holder. The Vendor shall also advise Holders that all property reported and remitted must conform to the requirements of the Act, now and in the future. Holders are not exempt from any section of the Act, including but not limited to W Va. Code §36-8-24, which grants the STO the authority to charge penalties and interest to delinquent Holders. The Vendor shall not represent to Holders that penalties and interest will be waived without written authorization from the STO.

**4.1.8 Closure:** The Vendor must be able to properly close an audit, as required by this RFQ. After the Holder and the Vendor have agreed to the amount deliverable, the Vendor will provide the Holder and the STO with a final examination report summarizing the procedures performed and the conclusions reached, including the amount deliverable. The STO will notify the Holder of any interest or penalties assessed on delinquent property.

**4.1.9 Reporting:** In conjunction with the identification and collection of unclaimed property, the Vendor must:

**4.1.9.1** Process records of unclaimed property obtained from Holders and/or their agents;

**4.1.9.2** Timely submit all required reports and notices to West Virginia State Treasurer's Unclaimed Property Division, 322 70th St. SE, Charleston, West Virginia 25304;



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**4.1.9.3** Prepare and submit to the STO reports of unclaimed property in accordance with the requirements of the Act & corresponding legislative rule, 112 CSR 5;

**4.1.9.4** Report all unclaimed property electronically using the NAUPA II standardized unclaimed property reporting format. This format can be downloaded from the West Virginia State Treasurer's website address: <http://www2.wvsto.com/Unclaimed-Property/Business-Holders>. In addition, this report must also be submitted in paper format, if requested by the STO. These requirements may be amended at the written direction of the STO. Further, the STO reserves the right to reject any audit reports not in compliance with the provisions of this RFQ; and

**4.1.9.5** Timely submit, pay or deliver all funds and other property constituting unclaimed property to the STO, or his designee subsequent to the processing of the Holder's records and the Vendor's demand of report and payment or delivery, as provided in this subparagraph. All funds, securities and other property must be segregated and securely maintained by the Vendor for a period not to exceed thirty (30) calendar days prior to disbursement to the STO or its designee. Remittance documentation shall indicate the date the property was received by the Vendor.

**4.1.10 Securities:** The Vendor must process all securities according to the procedures established by State law and the STO.

**4.1.10.1** The Vendor shall cause all securities to be re-registered to the State of West Virginia or its nominee, as directed by the STO, and delivered using Depository Trust Company (DTC) designations when applicable. For all securities that are not DTC eligible, the Vendor shall cause them to be re-registered to the WV State Treasurer or its nominee, at the written direction of the STO, and delivered in physical form to the STO, or its designee.

**4.1.10.2** The report format for securities must include: the cusip number for the issue; the issue name of the security; the amount of shares for each property; and the Holder's FEIN number. The accompanying invoice must also include the value of the shares on the date the property is received by the Vendor. The value of any security traded on an exchange shall be the



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closing price of that security on the date the property is received by the Vendor or the Vendor's custodian. If the property is a security traded over the counter, it shall be the bid price as set forth in the 'pink sheets' on the date the property is received. For any other property the value shall be determined according to generally accepted valuation procedures.

**4.1.10.3** In the alternative, in lieu of requiring the transfer of a security to the STO, the STO may require that the Holder, acting as agent for the STO, liquidate the security and report the proceeds as unclaimed property.

**4.1.10.4** In order to facilitate this liquidation, when the Vendor has in its possession securities which the Vendor has determined to be reportable to the STO, if requested by the STO, the Vendor shall send to the STO a report of the securities which appear to have market value. The STO will respond and direct the Vendor as to whether to liquidate securities on the list submitted by the Vendor.

**4.1.10.5** Securities listed on an established stock exchange must be sold at prices prevailing on the exchange at the time of sale. Other securities may be sold over the counter at prices prevailing at the time of sale or by any reasonable method authorized by the STO.

**4.1.10.6** Within sixty (60) calendar days of any sale conducted pursuant to this subsection, the Holder shall deliver to the STO the monetary proceeds resulting from the sale, after deducting a proportionate share of the reasonable expense of brokerage and transfer fees from the sale of the property. The Holder shall report the number of shares sold and the value of each share, as well as the expense attributable to the sale. The Holder shall include in the reported property all interest, dividends, increments, earnings and accretions due, payable or distributable at the time of liquidation, and all earnings on the property between the time of liquidation and the time of reporting.

**4.1.11 Demands for Remittance:** The Vendor must be able to demand and accept remittances of unclaimed property from Holders. Unless otherwise authorized by the STO, the Vendor shall not make a demand of a Holder for remittance of property to the STO until such time as the Holder and the Vendor reconcile and agree upon the report to be filed with





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the STO. In the event the Vendor and Holder do not agree upon the report to be filed, the Vendor shall notify the STO, who shall decide the matter.

**4.1.12 Out-of-Proof Reports:** The Vendor must be able to recognize and handle out-of-proof reports. Out-of-proof reports will only be accepted with written assurances by Holders that should all owners come forward, Holder will provide the balance due.

**4.1.13 Dispute Resolution:** The Vendor must be able to assist in dispute resolution as needed. In the event the Vendor and the Holder are unable to reach an agreement as to the terms of the Vendor's final examination report, the Holder may file an administrative appeal with the STO in accordance with Exhibit D.

**4.1.14 Property Disputes:** The Vendor must be able to assist the STO with regard to property disputes. Timely disbursement of property may be delayed as a result of a dispute with respect to the delivery, ownership, right of possession and/or disposition of property. Delivery requirements may be suspended at the discretion of the STO pending the resolution of said disputes or as otherwise requested by the STO. The Vendor shall notify the STO of any such disputes within thirty (30) days of determination that a dispute exists. The Vendor shall then make all reasonable efforts to resolve disputes as quickly as possible. The Vendor shall provide to the STO the actual resolution date of any such disputes, and shall remit the property within thirty (30) days of resolution of disputes.

**4.1.15 Interest Credits:** The Vendor must agree to the payment of interest credits in accordance with STO procedures. The STO shall receive an interest credit from the Vendor equal to the interest earned on all cash funds held by the Vendor on behalf of the STO from the date following the day such funds are paid in good funds to the Vendor until, but not including the date such funds are remitted by the Vendor to the STO. Any interest payable to the STO will be credited against fees payable to the Vendor.

**4.1.16 Release Agreements:** The Vendor must prepare release agreements according to STO procedures. The Vendor shall prepare a release agreement, when requested by a Holder, to be signed by the Holder and



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the STO, which shall identify the property to be remitted, and verify that the appropriate abandonment period has been met for each type of property reported. A copy of a sample release agreement form is attached as Exhibit C. The STO reserves the right to modify the terms of the release agreement in its discretion.

**4.1.17 Work-In-Progress Reports:** The Vendor must provide to the STO Work-in-Progress reports according to the following procedures:

**4.1.17.1** The Vendor shall provide the STO, by the 15th of each month, a Work-in-Progress Report for each Holder under examination that includes, but is not limited to, the following information:

- a. Holder's Name
- b. State of Incorporation
- c. Federal Employer Identification Number
- d. Issue Name
- e. Property Type
- f. Engagement Date
- g. Types of records being examined
- h. Status Commentary (time line of progression or something to this effect)

**4.1.17.2** The Vendor must provide Work-in-Progress reports in the format required by the STO. The Vendor shall provide the information in a comma delimited text electronic file format, and upon the STO's request, in a paper format as well. These requirements may be amended at the written discretion of the STO.

**4.1.18 Review and Retention of Records:** The Vendor must permit the STO to review all records maintained by the Vendor to ensure the Vendor's compliance with all the terms and conditions of the purchase order issued pursuant to this RFQ. The scheduling of these reviews will be designated by the STO. All working papers and reports must be retained, at the Vendor's expense, for a minimum of ten (10) years from the originating date, unless the Vendor is notified in writing by the STO to extend the retention period.

*Please see attached Document Retention Policy.*



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## **DOCUMENT RETENTION POLICY**

**EFFECTIVE DATE:** April 2, 2013

Information is an important asset of Innovative Advocate Group, Inc.'s ("IA Group") firm. These policies apply uniformly to documents retained in either paper or electronic format. IA Group's policy pertaining to the retention and destruction of email documents mirrors the policy for documents in other electronic and paper formats.

### **DOCUMENTS TO BE RETAINED**

IA Group will retain firm business records to comply with Internal Revenue Service requirements. In addition, if IA Group learns that a government agency is conducting an investigation into a client or that private litigation is pending or threatened (even if the firm is not directly involved), the firm should be careful to retain all relevant records, even if they are slated for destruction under the firm's policy and even if no request has been made for such records.

In relation to the professional services that we provide, IA Group's policy is to retain documentation necessary to support correspondence with clients and companies under examination, and work product. Drafts or other documents not utilized shall not be retained. Documents transmitted as attachments via email should be considered separately from the email messages to which they are attached. Original client records and records of companies under examination will be returned to the original owner, if requested in writing, and will not be part of on-going files.

### **PROCEDURES FOR DOCUMENT STORAGE**

The attached schedule provides a list of the records required to be retained and the appropriate periods of retention time for each.

All records, files and documents are intended to fall within the categories listed on the attached schedule and are to be retained for the time designated on the schedule. Records may be retained for longer periods at the discretion of the President or Operating Officer for necessary business reasons.

The retention periods apply to the essential copy (originator and/or addressee) of multiple-copy records, reports, etc.; other copies may be disposed of at any time, but not later than the stated retention period, at the discretion of the holder. Files maintained by electronic data processing methods should be treated in the same manner and disposed of in a timely manner. The method of disposal should correspond with the sensitivity of that particular document involved. For example, any document containing personal information (such as address or social security information) should be shredded or otherwise destroyed in a manner that renders the information in a particular record unreadable.



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**REQUIREMENTS FOR RECORD RETENTION**

***DETAILED RECORDS RETENTION SCHEDULE***

*\* See Ledger at end of document for key to abbreviations*

TYPE OF RECORD	RETENTION PERIOD (YEARS)	AUTHORITY
<b>INTERNAL ACCOUNTING</b>		
Accounts Payable Ledgers	7 T	AD
Accounts Receivable Ledgers	5 T	AD
Bad Debt Writeoff Schedules	5	AD
Bad Debt Customer Files	5	AD
Authorizations for Accounting	SUP	AD
Balance Sheets	P	AD
Bank Deposits-General	2 T	AD
Bank Statements	3 T	AD
Bonds	P	AD
Budgets	3+C	AD
Capital Asset Record	3+D	AD
Cash Receipt Records	7 T	AD
Check Register	7 T	AD
Checks, Payroll	3 T	IRS
Checks, Voucher	3 T	IRS
Expense Reports	3 T	AD
Cost Accounting Records	5 T	AD
Debit & Credit Memoranda	3 T	AD
Credit Files-Current	P	AD
Credit Files-Inactive	5	AD
Credit Ratings & Classifications	1	AD
Customer Payments, History	1	AD
Earnings Register	3	IRS
Estimates, Projections	7	AD
Financial Statement, Certified	P	AD
Financial Statement, Periodic	2	AD
General Ledger Records	P	IRS
Invoice Copies, Customer	2	IRS
Journal Entries	7 P	AD





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<b>TYPE OF RECORD</b>	<b>RETENTION PERIOD (YEARS)</b>	<b>AUTHORITY</b>
Labor Cost Records	3	IRS
Payroll Registers	3 T	IRS
P & L Statements	P	AD
Work Papers, Rough	2 T	AD
Work Papers, Consolidated	5 T	AD
Vendor Files	OBS	AD
Internal Audit Reports	7	AD
Internal Audit Work Papers	7 T	AD
<b>INSURANCE--PROPERTY &amp; CASUALTY</b>		
Property Claims	3 T AS	AD
Liability Claims	20 AS	AD
Property Insurance Policies	5 AF	AD
Liability Insurance Policies	10 AF	AD
Miscellaneous Insurance Policies	5 AF	AD
Unemployment Compensation	4	AD
<b>TAXATION</b>		
Employee Withholding (SS)	4	IRS
Tax Bills & Statements	P	AD
Tax Returns	P	AD
Sales Tax Exemption Certificates	6	AD
Excise Tax Exemption Certificates	4	IRS
Certification Documents	P	AD
<b>LEGAL DEPARTMENT</b>		
Claims and Litigation Records, Breach of Contract, Product and Personal Injury	P	AD
Court Records-Federal, State, Local	SUP	AD
Patents and Related Material	P	AD
Trademarks & Copyrights	P	AD
Contracts, Amendments, Settlements, Specifications, Procedures, Correspondence	6 AT	AD
Vendor Files	OBS	AD



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TYPE OF RECORD	RETENTION PERIOD (YEARS)	AUTHORITY
<b>HUMAN RESOURCES</b>		
Annual Reports	P	AD
Authority to Issue Securities	P	AD
Bonds, Surety	3 T AE	AD
Capital Stock Ledger	P	AD
Charters, Constitution, By-Laws	P	AD
Checks, Dividend	6	AD
Corporate Election Records	P	AD
Deeds-Real Property	P	AD
Site Surveys and Property Drawings	P	AD
Dividend Register	P	IRS
Incorporation Records	P	AD
Leases & Easements-Real Property	21 AT	AD
Licenses-Federal, State, Local	AT	AD
Minutes- Board of Directors Meetings	P	AD
Mortgages & Mortgage Guarantees	6 AT	AD
Policies & Procedures	SUP	AD
Stock Certificates-Cancelled	6	AD
Stock Transfer & Stockholder Records	P	AD
Vendor Files	OBS	AD
Accident Reports, Injury Claims, Settlements, Worker's Comp.	30 AS	IRS
Employee Records	5 AT	IRS
Applications, Including Resumes	3	IRS
Attendance Records	2	IRS
Employee Activity Files	2 or SUP	IRS
Garnishments	2 AT	IRS
Health & Safety Bulletins	OBS	AD
Hourly Change Records	5 AT	AD
Injury Frequency Charts	5	IRS
Insurance Claims, Employees'	2	AD
Job Descriptions	OBS	IRS
Performance Reviews	5 AT	IRS
Annual Reports Employee Benefit IRS 5500	P	AD
PBGC-1 Pension Benefit Guaranty Corp.	P	AD
Pre-Retirement Spouse's Election	P	AD
Summary Plan Descriptions	10	AD



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<b>TYPE OF RECORD</b>	<b>RETENTION PERIOD (YEARS)</b>	<b>AUTHORITY</b>
Affirmative Action Plan	5	IRS
Time Cards	1	AD
Temporary Employee Records	1	IRS
Training Manuals	1 or OBS	IRS
Union Agreements	P	AD
Group Insurance Enrolment Cards	3 AT	AD
Applicant Flow	5	
Internal Publications	P (1 copy)	AD
Budgets	3+C	AD
Vendor Files	OBS	AD
Accounts payable Invoices	5 T	
Inventories	1AF	AD
Office Equipment Records	6 AF	AD
Requisitions for Supplies	1 AF	AD
Vendor Files	OBS	AD
<b>PROJECT MANAGEMENT: CLIENT (STATE)</b>		
Invoices - State	3	
Employee Travel	1 AF	AD
Shipping & Related Documents	2-10	IRS
Budgets	3+C	AD
State (Client) Files	OBS	AD
Work Papers Pertaining to Projects	NO VALUE	AD
Presentations & Report of Examination	OBS	AD
<b>PROJECT MANAGEMENT: AUDIT SUPPORT RECEIVED FROM HOLDER</b>		
Call Reports and Related Documents	7	AD
Call/ Meeting Calendars	7	AD
Correspondence	7	AD
Information Requests	7	AD
Workplans	7	AD
Tax Return Information	7	AD
Company Organizational Chart	7	AD
Legal Documents Pertaining to Reincorporation	7	AD
Legal Documents Pertaining to Acquisition/ Merger/ Sale of Entity	7	AD





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TYPE OF RECORD	RETENTION PERIOD (YEARS)	AUTHORITY
Legal Documents Pertaining to Name Change	7	AD
General Ledger Documents	7	AD
Trial Balance Documents	7	AD
Accounts Receivable Related Documents	7	AD
Accounts Payable Related Documents	7	AD
Payroll Related Documents	7	AD
Contracts Provided (with Third Parties)	7	AD
Other Work Papers Pertaining to Projects and Review	7	AD
Presentations & Report of Examination	7	AD
Expense Account Records	7	AD
Personnel Files	7	IRS
MBR's	7	AD
Budgets	7	AD
Vendor Files	7	AD
Systems and Procedures Records	7	AD

**\*LEGEND**

AD	Administrative decision
AE	Dispose of after expiration
AF	Dispose of after end of fiscal year
AS	After settlement
AT	After termination
+C	Plus current year
IRS	Internal Revenue Service
+D	After disposal of asset
OBS	When obsolete
P	Permanent
SUP	When superseded
T	Pending audits (Federal, State, etc.) may require an extension of the schedules



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**4.1.19 Joint Examinations:** The Vendor must recognize that the STO reserves the right to participate in a joint examination of any Holder, at any time, with the Vendor.

**IA Group recognize that the STO reserves the right to participate in a joint examination of any Holder, at any time, with IA Group.**

**4.1.20 Reasonable Compensation:** The Vendor must agree to alternate reasonable compensation in certain cases. The Vendor must recognize that the STO has an interest in assuring that businesses comply with the provisions of the Act, regardless of businesses' size. In certain limited circumstances, the STO may wish to assign Vendor a business domiciled and/or geographically located in the State of West Virginia for examination, where due to the size or nature of the business, the examination may or may not result in sufficient findings in order for the Vendor to be reasonably compensated on a contingent fee basis.

**4.1.20.1** For examinations assigned under those circumstances, the STO will notify the Vendor at the time the examination authorization letter is issued that the alternate payment provisions set forth in this Section and in Section 4.1.21.2 of this RFQ may apply.

**4.1.20.2** The Vendor shall determine and submit to the STO an estimate of the number of hours the Vendor anticipates using to complete the audit, prior to commencing fieldwork for the examination. The STO will review the estimate and thereafter determine the number of hours necessary to complete the assigned examination. Vendor shall be notified of the hours approved by the STO for the examination.

**4.1.20.3** The Vendor shall conduct the review of Holder/estimation of hours needed for the examination and the examination itself within the allowed time previously approved by the STO.

**4.1.20.4** The Vendor shall notify the STO in writing if additional time is needed to perform the estimation or the examination, explaining the grounds for the request for additional hours. The



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STO will consider the Vendor's request and inform the Vendor in writing of the approval or disapproval of the request for additional hours. Vendor shall not exceed the allotted or estimated hours without prior written approval by the STO.

**4.1.20.5** The Vendor will not be compensated for any hours billed in excess of those allotted for the review or estimated for the examination, unless prior written approval was received from the STO.

**4.1.20.6** In order to provide reasonable compensation to the Vendor, payment will initially be calculated according to the payment provisions of Section 4.1.21 of this RFQ; provided, however, that if the amount to be paid to the Vendor under that Section would be less than the hourly rate set forth in this Section, the Vendor will be paid the hourly rate as determined in this Section and as set forth in Section 4.1.21.2.

**IA Group agrees to alternate reasonable compensation in certain cases as outlined in detail in Section 4.1.20 Reasonable Compensation.**

**4.1.21 Fees:** Vendor must agree to payment for audit Services as follows:

**4.1.21.1** Except as provided in Section 4.1.21.2 and 5.1.9 below, all fees of the Vendor for the identification and collection of unclaimed property will be a flat 11.5 percent (11.5%) of the net unclaimed property remitted to the STO, less any interest due pursuant to the provisions of this RFQ. Net unclaimed property is the gross value of all unclaimed property, minus the value of all unclaimed property delivered by the Holder, if any, that otherwise would have been delivered pursuant to the reporting practices of the Holder as they existed prior to the execution of the agreement with the Vendor. Payment will be made in arrears, based upon invoices submitted by the Vendor, once property is received.

**4.1.21.2** For those examinations requiring alternate reasonable compensation, the Vendor will be paid on an hourly basis at the rate of \$65 per hour. This amount shall be the total and complete



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fee payable to the Vendor for the Services delivered, unless the Vendor receives the prior written approval of the STO.

**4.1.21.3** Failure to deliver property to the STO within thirty (30) days of receipt from the Holder will result in the following reductions in fees, unless a dispute occurs or unless the STO waives the reduction for matters beyond the reasonable control of the Vendor.

**4.1.21.3.1** Audit reports, funds and securities that are submitted thirty-one (31) to sixty (60) calendar days after the receipt of property by the Vendor or his designee may be subject to up to a 33% fee reduction, at the discretion of the STO.

**4.1.21.3.2** Audit reports, funds and securities that are submitted sixty-one (61) to ninety (90) calendar days after receipt of property by the Vendor or his designee may be subject to up to a 66% fee reduction, at the discretion of the STO.

**4.1.21.3.3** Audit reports, funds and securities that are submitted past ninety-one (91) calendar days after the receipt of property by the Vendor may be considered past due, and may result in a forfeiture of the entire fee, at the discretion of the STO. The STO reserves the right to require Vendors to submit all reports and property immediately upon reaching past due status.

IA Group agrees to payment for audit Services as outlined in detail in section 4.1.21. Fees.

### **Technical Approach**

To achieve the most beneficial results from our unclaimed property examinations, IA Group has developed 5 key work processes, tailored to each Holder based upon their unique facts, as necessary.

1. **Audit Procedures**: Outlines every task taken in the audit.
2. **Information Requests**: Outlines every information request asked of Holder.
3. **Status Workplan**: Provided to Holder to track information requested and days outstanding.
4. **Work in Progress**: Provided to States on a monthly basis.





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5. Final Report (Presentation of Preliminary Findings): Details all results of the examination.

*Examples of these documents are attached.*

In addition to the above, below are some guidelines that assist with audit methodology.

### AUDIT OBJECTIVES

Through our audit and examination services, it is the goal of IA Group to efficiently identify and recover property from Holders that are subject to report and deliver said property under the respective State Abandoned Property Laws.

*To meet these objectives, IA Group will be responsible for:*

1. Communicating with Holders for the purpose of determining compliance with unclaimed property laws of the State. This will include preparing and providing information requests, reviewing books and records, compiling data, reviewing results, providing responses, performing and providing calculations;
2. Determining the scope of the review and identifying and examining property for the current reporting cycle as well as any prior reporting cycles for which property remains unclaimed and unreported;
3. Utilizing applicable federal and state legislation to assist in the determination of which State has the right to the escheatable property, for what periods, and for the application of any exemptions and deductions applied by the Holder;
4. Providing the State, on a monthly basis, with a progress report of all compliance reviews, providing a status of open and pending examinations. This progress report would highlight any issues or concerns that have been identified during the audit, as well as their anticipated plan for resolution.
5. Preparing a Final Report of Examination ("Final Report") to the State for each Holder examined. The Final Report will include the findings resulting from the examination and will be delivered to the state within a specified agreed upon time period, thereafter the property is identified and presumed to be abandoned.

## Audit Procedures - COMPANY NAME - STATE, STATE, STATE

INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
<b>Phase I - To Start Audit</b>				
<b>Audit Initiation Date:</b>				
AL	If an Advocate Firm/Law Firm is hired by the Company as a representative, request in writing, from the Company, a Statement (Authorization Letter) that the Advocate Firm/Law Firm may be on calls and correspondence throughout the audit.	Admin Folder.		
NDA	If the Company provides an NDA, KD to review and correspond with the Company regarding its acceptability.	Admin Folder.		
<b>Phase II - Entity Specific Information Request</b>				
1	Provided Federal form 1120, including the following: Form 1120 (pages 1-5), Form 851 (Affiliations Schedule), Consolidating Income Statement, Consolidating Balance Sheet for the most current year end through as far back as available. If the Company is a partnership or other form of a legal entity, please provide the Form 1065 or any other applicable Federal Forms filed.	Create "Tax Return" Folder in General Documents Folder. File Tax Return Information here.		
1.1	Provide current Corporate Organizational Chart, including the following: Parent, Subsidiaries, and Affiliates (state of formation/incorporation, date of formation/incorporation, FEIN numbers).	General Documents.		
1.2	<b>Entity Revenue Matrix</b> Using the Federal forms provided, and the Organizational Chart, prepare the Entity Revenue Matrix. Confirm that all Entities from the Form 851's/1120's are reflected on the Organizational Chart. Complete the revenue portion of the Entity Revenue matrix using the Federal forms. Confirm that the total revenue from the Income Statement is reflected on page 1 of the 1120. For Foreign Entities, confirm that the Entity does not have any U.S. based employees, U.S. based Bank Accounts, and U.S. based Customers. If the Entity does not, request a Letter of Attestion signed by an Officer of the Company.  <i>Company is allowed no more than 30 days to complete Entity Revenue Matrix, if the request is outstanding longer than 30 days, all Entities will be reviewed.</i>	General Documents.		
1.3	Provide Company Acquisition history for as far back as available, including list of Companies acquired, date of acquisition, type of acquisition (stock/asset), Company's state and date of incorporation, and legal documentation reflective of what was acquired (bank accounts, receivables, etc.). Identify all acquired Company's that are noted as stock acquisition. Verify the types of assets acquired if asset acquisition.	General Documents.		
1.4	Provide Bankruptcy Disclosure. If the Company has previously filed for Bankruptcy, please provide a detailed explanation of the type of Bankruptcy filed and the reasoning behind the Bankruptcy filing. Note response in Status Work plan.	General Documents.		
1.5	Verify that the Form 851, Income Statement Detail, Organizational Chart, and Acq History information all tie to the Entity Revenue Matrix. Prior to issuing Information Request #2, send to Company for confirmation that IA Group is reflecting the correct information. Additionally, Company to complete additional areas (i.e. Does the Company have AP, AR, etc.)	General Documents.		
1.6	Please provide copies of prior filings, audit reports and work papers, VDA's, or any previous unclaimed property filings, including demands for payment and release agreements with any state. Note response on Status Work plan document.	General Documents - Create "UP Filings" Folder If prior filings are not provided IA Group will not sample Voids, full populations will be reviewed.		

## Audit Procedures - COMPANY NAME - STATE, STATE, STATE

INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
1.7	IA Group to make <u>In-scope</u> selection (choose Entities for review).  Prepare Second Information Request Cover Letter. Top section of the cover letter should reflect all entites that operate within the U.S. as well as foreign entites with property within the U.S. The bottom section of the cover letter should reflect the Entities that are going to be reviewed.	To be reflected on Second Information  Request cover letter.		
1.8	Send Second Information Request to Holder.	General Documents.		
<b>Part 2 - Uncashed Checks - Cash and Information Request</b>				
2	Trial Balance Analysis - For each entity under scope of examination, provide a detailed Trial Balance for each year-end for as far back as available. Each Trial Balance should itemize individual account numbers and sub-account numbers, together with zero balance accounts including but not limited to cash, accounts receivable, accounts payable, and other liabilities. Tie out each account year-end balance to year-end account balances for AR, AP, PR, etc..	Create "TB" Folder in General Documents Folder. File TB Information here.		
2.1	Request Accounts Receivable Agings at the transaction level of detail, aged into categories of current, 30-60 days, 60-90 days, 90-180 days, 180-365 days, and 366 days plus. Provide for year ends for as far back as available. Include detail such as customer number, customer name, invoice number, invoice amount, and invoice date.	Accounts Receivable.		
2.2	IA Group to review Agings, confirm year-end AR account balance ties to the Trial Balance and Includes all requested information. Show that balances tie at the bottom of the AR Aging spreadsheet. If balance does not tie, request further reconciliation from the Company.			
2.3	Ensure understanding of all Column headings (especially the different date columns). If further clarification is required, request a Heading Legend from Company.	Accounts Receivable.		
2.4	Provide Accounts Receivable Policies and Procedures, reflecting information relevant to write-off policies and procedures. Include due diligence procedures and all Trial Balance accounts to which adjustments are made. Add provided Trial Balance accounts to account analysis in step 2.5.	Accounts Receivable.		
2.5	Please complete the provided Benefit Programs and Third Party Administrators ("TPA's) benefit program matrix. Include current programs and providers, as well as former programs and/or providers that have been discontinued. For any benefit programs not noted as ERISA based, Company to provide additional information such as check disbursement process.	General Documents.		
2.6	For each Benefits program administered by a TPA, please provide a copy of the contract between the Company and the TPA. If a copy of the contract cannot be obtained, provide a letter from each administrator stating whether or not the administrator is responsible for the escheatment of uncashed checks.			
2.7	Complete provided Trial Balance account analysis. Review provided Trial Balance information to identify any accounts that raise "red flags" (ex. write-off accounts). IA Group to request description of identified accounts on Information Request 3 (Section 3.6).	Information Request (#3).		



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INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
2.8	Disbursement Account Matrix to be completed. Accounts Payable and Payroll bank accounts currently open to be identified as for review. For disbursement accounts currently opened and opened within the past 5 years, identify predecessor accounts as accounts to be reviewed. Update Information Request #3 to request information for identified accounts.	General Documents.		
<b>Step 3: Unclaimed Property Examination - Prior Information Request</b>				
3	For each Accounts Payable account identified for review, provide monthly bank statements, and bank reconciliations for December 31, 20XX and for as far back as can be provided. Include bank statements, detailed listing of outstanding checks, void check listing, deleted check listing, and stop payment reports. Upon receipt, see step 7 and 8.	Accounts Payable.		
3.1	For each Payroll account under review, provide monthly bank statements, and bank reconciliations for December 31, 20XX and for as far back as can be provided. Include bank statements, detailed listing of outstanding checks, void check listing, deleted check listing, and stop payment reports. Upon receipt, see step 9 and 10.	Payroll.		
3.2	Provide any written policies and procedures for Escheat. Include all property categories that the Company reports as unclaimed property. Provide historical as well as current policies and procedures for each Subsidiary/Division under examination.	General Documents.		
3.3	For each Subsidiary/Division under examination, provide a description of any unclaimed property compliance system used for tracking and reporting accounts payable, payroll, accounts receivable, etc.. Please include dates for which this system was utilized.	General Documents.		
3.4	<i>Customer Rebates</i> : Does the Company have any trade/promotional rebate programs with their Customers? Provide a brief description of the program(s), provide dates for when program was initiated and closed, provide detail for inactive programs. How are payments to Customers disbursed (Check/Credit)? To receive: Rebate program contracts between the Company and its Customers.	Rebates Folder.		
3.5	<i>Consumer Rebates</i> : Does the Company have any rebate programs with their Consumers? Provide a brief description of the program(s), provide dates for when program was initiated and closed, provide detail for inactive programs. Provide policies and procedures for outstanding Consumer Rebate check, if checks are written off, provide list of written off items for as far back available. Does the Company use a TPA for rebate programs? Provide TPA name, address, phone number, and primary contact information.	Rebates Folder.		
3.6	Review Trial Balance/Chart of Accounts provided by Company to identify "red flag" accounts. Such accounts may include (but are not limited to) write-off, suspense, over/short, rebate, and gift card accounts. Company to provide description or purpose of account.	Information Request (#3).		
<b>Step 4: Unclaimed Property Examination - Letter of Attestation to be provided - Document Availability</b>				
	Company to provide Letter of Attestation (on Company letterhead, signed by Officer of the Company) reflecting the dates for which information is available, by property type, by account/system. <i>Sample Letter of Attestation located in Project Materials folder.</i>	General Documents.		

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INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
<i>Phase II - Unclaimed Property Examination: Equity</i>				
4	Confirm whether or not the Company is publicly traded. If so, provide whether it is traded on the NASDAQ or NYSE.			
4.1	Provide a copy of contract between Company and each Transfer Agent, reflecting responsibility of escheat.	Equity		
4.2	Confirm how often dividend checks are issued.			
4.3	Provide outstanding list of dividend checks from Transfer Agent and/or Company for State residents.			
4.4	Request information from Transfer Agent regarding how "Lost Shareholder" checks are managed/accrued for.			
4.5	Based on State Dormancy, confirm outstanding checklist reflects checks for proper periods.			
4.6	Review outstanding checklist to determine if numerous checks are issued to the same payees. If it is found that multiple checks are issued to the same "non-responsive" payee over a period of time, this may be a factor in identifying underlying shares to be escheated.			
4.7	Have State provide escheat reports reflecting outstanding dividend checks remitted by Third Party on Company's behalf.			
4.8	Company to perform due diligence on applicable outstanding dividend checks.			
4.9	Update escheat liability based on results from due diligence.			
4.10	Prepare memorandum to be provided to State regarding outstanding items to duplicate non-responsive shareholders and potential for underlying share escheatment.			
			N/A This section is not applicable as this is a general ledger property examination only.	
<i>Set up call with Accounts Receivable Department representative to talk through AR Policies and Procedures as they relate to aged credits and write-offs. Discuss any questions regarding AR Agings received (i.e. transaction type).</i>				
5	Review the most current year-end AR Aging. Confirm AR balance ties to Trial Balance AR account. Show that balance ties at the bottom of the AR Aging spreadsheet. If balance does not tie, request further reconciliation from Company. Confirm address information is provided for all Customers, request if necessary.	Copy AR Aging into Model.		
5.1	Create "Year" column to identify year in which transaction was created. Create "As of Date" column to reflect date of Aging. Create "For Review" column, reflecting items for review after removing debits and credits issued within the year (365 days) of the year-end Aging. For (Company Name) review as of December 31, YEAR. Net all debits and credits at a Customer level.	Review tab.		
5.2	Using the For Review Column and either Customer Name or Customer Number (depending on how Company invoices Customer), net all debits and credits at the Customer level. Sort the For Review column to identify all Customers in a net credit position.	Net Position tab.		
5.3	Move all Customers in a Net Credit position to a new spreadsheet. Remove all debit items. Spreadsheet to reflect gross underlying credits, for all Customers in a net credit position. Create "IA Group CR #" Column. Assign each credit an identifying number. This number will be used to associate the supporting documentation with the respective credit. Spreadsheet to be provided to Company for review.	For Review tab.		
5.4	Company to provide documentation to support position of whether or not Credit is Unclaimed Property. File all supporting documentation to "On BS Supporting Documentation" Folder. Also create Bookmarked PDF file by IA Group CR#.	Create "On BS Supporting Documentation" folder in the Accounts Receivable folder.		
5.5	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for credit. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.	For Review tab.		

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INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
5.6	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.	For Review tab.		
5.7	After Company communicates that they have provided all available support for credit items, create pivot tables based on all items noted as Not Clear (total of Amount Due column) by state by year. Highlight liability for auditing states.		Pivot Tables to including: Total Accounts Receivable Aging to Tie to Trial Balance, Total Credit Population For Review, Amount Due Actual, Amount Due Extrapolation, Amount Due Actual by Auditing State.	
5.8	Link the amounts due by year to the respective years on the Extrapolation Page.			
<b>Phase II - Unclaimed Property Transactions: Accounts Receivable Off Balance Sheet Review</b>				
6	Using all AR Agings provided by Company (YEARS provided), compile Customer listing of all Company Customers, with Customer numbers and year of inception.	Accounts Receivable Off BS Folder. Listing to be copied into Model.		
6.1	From population of Customers and within researchable year range, pull random sample of Customers for review.			
6.2	Provide sample of Customers to Company for review. Request that Company provides complete detailed account history of all Customers, including all debits and credits on the Customer's history, from the Customer's inception. History should also include any pertinent information such as transaction date, transaction type, transaction #, AR account associated with transaction, etc..	Accounts Receivable Off BS Folder.		
6.3	Tie each Customer's account history to each respective year end AR Aging to ensure that IA Group has received all transactions on the Customer's account. Confirm all transactions from Agings are included in Transaction History.	Accounts Receivable Off BS Folder.		
Company to provide Letter of Attestation (on Company letterhead, signed by Officer of the Company) reflecting the dates for which AR transactions are addressable and researchable. <i>Sample Letter of Attestation located in Project Materials folder.</i>		General Documents.		
6.4	Select two Customer's and provide back to the Company. Company to review all transactions on the Customer's account in order for IA Group to obtain a better understanding of the transactions in the account and the procedures followed for Accounts Receivable.			
6.5	On a new worksheet, compile all debit items for Customers, from the complete transaction history. Remove debits for years that are not researchable. From remaining population, prepare 90/10 sample of debits items for Company to research.			
6.6	On Sample, Create "IA Group Debit ID #" Column and assign each debit item an identifying number. This number will be used to associate the supporting documentation to the specific debit item being researched.	Accounts Receivable Off BS Folder. Sample to be copied into Model.		
6.7	Provide Debit Sample to Company for research. Company to provide documentation to support what the debit items represents and how the item was resolved. File all supporting documentation to "Off BS Supporting Documentation" folder.	Create "Off BS Supporting Documentation" folder in the Accounts Receivable folder.		
6.8	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for debit item. Review documentation provided by Company to support position of whether or not considered Unclaimed Property/write-off. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank. When information is provided that reflects item as written off, request transaction level detail to the write-off account as of the most current year end of the review. <b>DISCUSS FINDINGS INTERNALLY.</b>	Quantify write-off liability on separate extrapolation page.		
6.9	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
6.10	After Company communicates that they have provided all available support for debit items, calculate error rate based on all items noted as Not Clear (total Amount Due column).	Use Sample Summary tab to compute error rate.		
6.11	Apply Error Rate to Extrapolation Base to calculate Unclaimed Property liability for <i>Off Balance Sheet AR Credit Review</i> .			

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INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
6.12	For actual debit amounts, compile debits for all Customers with address information within the auditing states. Company to review actual population of debits for these Customers, provide Company with listing for review.			
6.13	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for debit. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
6.14	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
6.15	After Company communicates that they have provided all available support for debit items, create summary table of Actual results, by State, by year, and link this to the Actual column on the Extrapolation page.			
<b>Unclaimed Property - Accounts Payable - Outstanding Checks Review</b>				
Set up call with Accounts Payable Department representative to talk through AP Policies and Procedures as they relate to outstanding and voiding checks. Discuss any questions regarding information on bank statements (i.e. positive/negative pay, stop/voids/write-off terminology, etc.).				
7	Using the most current year end Outstanding Checklist provided by Company, prepare outstanding checklist for review. Tie Outstanding amount to respective Trial Balance account using provided Reconciliation. Reflect tie out at the bottom of the outstanding checklist spreadsheet. Confirm/request address information for all outstanding checks.		Copy Outstanding Check List to Model.	
7.1	Create "Year" Column to reflect the year in which the check was written. Create "As of" Column to reflect the date of the Outstanding Checklist. Create "For Review" Column to reflect items aged 90 days from the As Of date.			
7.2	Using the For Review column, Identify all aged checks for review. Copy checks to a separate spreadsheet to be provided back to the Company for review.			
7.3	Provide the outstanding population of checks to Company for review. Company to provide documentation to support disposition of whether or not Outstanding Check is Unclaimed Property.		Create "Outstanding Supporting Documentation" folder in the Accounts Payable folder.	
7.4	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for outstanding check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note Item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
7.5	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
7.6	Use Outstanding checks identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
7.7	For actual outstanding checks identified as Unclaimed Property, quantify (create pivot) on a state by state by year basis using address information associated with the Vendor. Identify/highlight liability for auditing states.			
7.8	Link Pivot tables to respective years on Extrapolation page.			

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INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
8	Company to provide listing of checks voided for as far back as available, to include at least one dormant year. Void checklist to include both check issue date and date of void, as well as addressable information. IA Group to prepare void/stop payment check listing from Company bank statements provided, to ensure a complete review.	Copy Void List to Model.		
8.1	Create "Year" Column to reflect the year in which the check was written. Create "For Review" Column to reflect items issued and voided within 30 days of the date of issuance.			
8.2	Remove all checks issued and voided within a 30 day period as these checks are assumed to have been voided in the normal course of business. The checks to be reviewed will be reflected in the For Review column.			
	Company to provide Letter of Attestation (on Company letterhead, signed by Officer of the Company) reflecting the dates for which AP Voids information is addressable and researchable. <i>Sample Letter of Attestation located in Project Materials folder.</i>	General Documents		
8.3	Depending on the size of the remaining population, have Company review all voided checks, or statistically sample (a 3 year period, including 1 dormant year) the remaining voided check population and provide sample to Company for review.			
8.4	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for voided check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note Item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
8.5	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
8.6	Use voided checks identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
8.7	Once sample review is complete, compute error rate using results. Remember to gross error rate up to complete 3 year population. Error rate is used to calculate Extrapolation liability.	Use Sample Summary tab to compute error rate.		
8.8	Apply Error Rate to Extrapolation Base to calculate Unclaimed Property Liability.			
8.9	From complete population provided by Holder (population covering all years originally provided), identify voided checks that are addressable to states auditing the Holder. Provide identified checks to Holder for research. These checks are representative of the Actual liability due to the State.			
8.10	For Addressable check population, Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for voided check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note Item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
8.11	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
8.12	Create summary table of Actual results, by State, by year, and link this to the Actual column on the Extrapolation page.			



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<b>Phase II - Unclaimed Property Examination: Payroll Outstanding Check Review</b>				
<i>Set up call with Payroll Department representative to talk through Payroll Policies and Procedures as they relate to outstanding and voiding checks.</i>				
<i>Discuss any questions regarding information on bank statements (i.e. positive/negative pay, stop/voids/write-off terminology, etc.) and Third Party Providers (ADP).</i>				
9	Using the most current year end Outstanding Checklist provided by Company, prepare outstanding checklist for review. Tie Outstanding amount to respective Trial Balance account using provided Reconciliation. Reflect tie out at the bottom of the outstanding checklist spreadsheet. Confirm/request address information or all outstanding checks.	Copy Outstanding Check List to Model.		
9.1	Create "Year" Column to reflect the year in which the check was written. Create "As of" Column to reflect the date of the Outstanding Checklist. Create "For Review" Column to reflect items aged 60 days from the As Of date.			
9.2	Using the For Review column, identify all aged checks for review. Copy checks to a separate spreadsheet to be provided back to the Company for review.			
9.3	Provide the outstanding population of checks to Company for review. Company to provide documentation to support disposition of whether or not Outstanding Check Is Unclaimed Property.	Create "Outstanding Supporting Documentation" folder in the Payroll folder.		
9.4	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for outstanding check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note Item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
9.5	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
9.6	Use Outstanding checks identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
9.7	For actual outstanding checks identified as Unclaimed Property, quantify (create pivot) on a state by state by year basis using address information associated with the Vendor. Identify/highlight liability for auditing states.			
9.8	Link Pivot tables to respective years on Extrapolation page.			
<b>Phase III - Voided Checks</b>				
10	Company to provide listing of checks voided for as far back as available, to include at least one dormant year. Void checklist to include both check issue date and date of void, as well as addressable information. IA Group to prepare void/stop payment check listing from Company bank statements provided, to ensure a complete review.	Copy Void List to Model.		
10.1	Create "Year" Column to reflect the year in which the check was written. Create "For Review" Column to reflect items issued and voided within 30 days of the date of issuance.			
10.2	Remove all checks issued and voided within a 30 day period as these checks are assumed to have been voided in the normal course of business. The checks to be reviewed will be reflected in the For Review column.			
Company to provide Letter of Attestation (on Company letterhead, signed by Officer of the Company) reflecting the dates for which Payroll Voids information is addressable and researchable.		General Documents		
<i>Sample Letter of Attestation located in Project Materials folder.</i>				
10.3	Depending on the size of the remaining population, have Company review all voided checks, or statistically sample (a 3 year period, including 1 dormant year) the remaining voided check population and provide sample to Company for review.			



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10.4	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for voided check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
10.5	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
10.6	Use voided checks identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
10.7	Once sample review is complete, compute error rate using results. Remember to gross error rate up to complete 3 year population. Error rate is used to calculate Extrapolation liability.		Use Sample Summary tab to compute error rate.	
10.8	Apply Error Rate to Extrapolation Base to calculate Unclaimed Property Liability.			
10.9	From complete population provided by Holder (population covering all years originally provided), identify voided checks that are addressable to states auditing the Holder. Provide identified checks to Holder for research. These checks are representative of the Actual liability due to the State.			
10.10	For Addressable check population, Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for voided check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
10.11	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
10.12	Create summary table of Actual results, by State, by year, and link this to the Actual column on the Extrapolation page.			
<b>Section 11 - Bankruptcy Proceedings - Trial Balance Account Review</b>				
11	Review descriptions of Trial Balance accounts as requested on Information Request 3.			
11.1	For accounts with potential unclaimed property, request transaction level detail as of each year end, for years as far back as available.			
11.2	Review transaction level detail provided. Confirm understanding of each column heading as well as transaction level information provided (i.e. transaction type).			
11.3	Tie year end balance to balance on respective year-end Trial Balance previously provided.			
11.4	If necessary, provide Company with a small sample of items for review to confirm understanding of transaction type. Company to provide explanation of what transaction represents and documentation to support this.			
11.5	Create a dollar stratified sample of transactions in account to test for unclaimed property. Provide to Company for review. Company to provide explanation of what transaction represents and documentation to support the remediation/resolution of this transaction.			
11.6	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for respective transaction. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			

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11.7	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
11.8	Use transactions identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
11.9	Once sample review is complete, compute error rate using results. Remember to gross error rate up to complete population. Error rate is used to calculate Extrapolation liability.	Use Sample Summary tab	to compute error rate.	
11.10	Apply Error Rate to Extrapolation Base to calculate Unclaimed Property Liability.			
<b>Phase II - Unclaimed Property, Extrapolation, Rebates, Agency - Customer Rebates</b>				
12	Review contracts provided by Company to identify how rebates are disbursed to Customers (i.e. check or credit to account).	Save to Rebates Folder.		
12.1	Request detail for (trial balance) accrual account. Detail to include account numbers for accounts that rebate items are posted to and any available Customer information related to posting item (Customer name, address information).	Save to Rebates Folder.		
12.2	<i>If rebates are paid to Customer by check</i> , identify disbursement account from which checks are written. If checks are written from rebate disbursement account, Using the most current year end Outstanding Checklist provided by Company, prepare outstanding checklist for review. Tie Outstanding amount to respective Trial Balance account using provided Reconciliation. Reflect tie out at the bottom of the outstanding checklist spreadsheet. Confirm/request address information for all outstanding checks. If checks are written from general disbursement account, follow-up with Company as to whether or not there is an identifying sequence number for rebate checks.	Copy Outstanding Check List to Model.		
12.3	Create "Year" Column to reflect the year in which the check was written. Create "As of" Column to reflect the date of the Outstanding Checklist. Create "For Review" Column to reflect items aged 90 days from the As Of date.			
12.4	Using the For Review column, identify all aged checks for review. Copy checks to a separate spreadsheet to be provided back to the Company for review.			
12.5	Provide the outstanding population of checks to Company for review. Company to provide documentation to support disposition of whether or not Outstanding Check is Unclaimed Property.	Create "Outstanding Supporting Documentation" folder in the Rebates folder.		
12.6	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for outstanding check. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
12.7	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
12.8	Use Outstanding checks identified as Unclaimed Property (Amount Due column) to compute error rate for years where actual information is not available.			
12.9	For actual outstanding checks identified as Unclaimed Property, quantify (create pivot) on a state by state by year basis using address information associated with the Vendor. Identify/highlight liability for auditing states.			
12.10	Link Pivot tables to respective years on Extrapolation page. <i>If rebates are paid to Customer in the form of an AR Credit</i> , identify Credits on year end AR Aging (previously provided for Accounts Receivable On Balance Sheet review) that are rebate credit items. Isolate credits onto a For Review tab to be provided to the Company for review.			

Audit Procedures - COMPANY NAME - STATE, STATE, STATE				
INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
12.11	Company to provide documentation to support position of whether or not Credit is Unclaimed Property. File all supporting documentation to "On BS Supporting Documentation" Folder.	Create "Supporting Documentation" folder in the Rebates folder.		
12.12	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for credit. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
12.13	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
12.14	After Company communicates that they have provided all available support for credit items, create pivot tables based on all items noted as Not Clear (total of Amount Due column) by state by year. Highlight liability for auditing states.			
12.15	Link the amounts due by year to the respective years on the Extrapolation Page.			
12.16	Review detail from Trial Balance account and tie the balance in the account to the respective year end Trial Balance amount. Reflect the tie-out at the bottom of the worksheet. Statistically sample the debit population within the Trial Balance account.			
12.17	Request and review supporting documentation to confirm that debit items are properly calculated rebate payments based on the rebate program/contract. Confirm that payment has been received and cashed by owner/ credit has been utilized. Ensure that all earned rebates have been paid.			
12.18	Create "Clear/ Not Clear" column to reflect whether supporting documentation has or has not been provided for debit. Review documentation provided by Company to support position of whether or not considered Unclaimed Property. Where sufficient documentation is provided, note item as Clear. Where documentation is provided, however, it is insufficient, note as Not Clear and update Comments column to reflect date of information provided, as well as, what was provided and what is needed. When no information is provided, leave blank.			
12.19	Create "Amount Due" Column. Amount Due reflects the numerical amount that is due if considered Not Clear/blank and therefore, Unclaimed Property.			
12.20	After Company communicates that they have provided all available support for debit items, calculate error rate based on all items noted as Not Clear (total Amount Due column).	Use Sample Summary tab to compute error rate.		
12.21	Apply Error Rate to Extrapolation Base to calculate Unclaimed Property liability for Off Balance Sheet AR Credit Review.			
<b>Index II - Unclaimed Property</b>				
13	Review historical policies and procedures followed by the Company for outstanding Rebate checks. If the policy is to write-off stale dated Consumer Rebate checks to income, review a list of items written off for periods as far back as available through current.			
13.1	Using complete population of write-offs, calculate actual liability. Using actual liability, calculate Error Rate and apply the Error Rate to the Extrapolation Base to calculate Unclaimed Property liability.			
13.2	If the Company utilizes a third party administrator ("fulfillment house") for any of their rebate programs, request a list of outstanding checks and a list of voided checks. Please confirm that (amongst other requested information) name and address information is provided for both outstanding and voided checklists.			

**Audit Procedures - COMPANY NAME - STATE, STATE, STATE**

INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
13.3	For Outstanding Rebate Checks, please remove all outstanding checks that have been issued within 90 days of the date of the report provided. Using the remaining population, quantify on a year by year basis, the actual liability. Use this liability to calculate an error rate for years that the rebate program has been in place, yet actual information is not available to be provided.			
13.4	For Voided Rebate Checks, please use the complete population and quantify an actual liability on a year by year basis. Use this liability to calculate an error rate for years that the rebate program has been in place, yet actual information is not available to be provided. <b>NOTE:</b> Extrapolation should only date back to years that the program has been in place.			
<b>Phase III: Unclaimed Property - Gift Cards Review</b>				
14	Review the Company's Trial Balance for accounts associated with Gift Cards. Review the Company's Organizational Chart for any Gift Card Companies.			
14.1	If applicable, provide Company with Gift Card Information Request.	Found in Project Materials.		
14.2	Request the detail to the Trial Balance accounts associated with the Gift Cards.			
14.3	If name and address information is collected and associated with the specific gift card liability, quantify liability due by year, as of the last date of usage of the gift card. (This may be different than the issue date.) <b>NOTE:</b> Extrapolation should only be calculated back to the date when the Company's gift card program first began.			
14.4	If there is a Third Party Company providing gift cards, review the Contract for policies and procedures as related to unclaimed gift card liability.	Per Info Request - GC Request Request #3.		
14.5	If actual name and address information for outstanding gift cards is found to be unavailable, request that a "Slippage report" be provided by the Third Party Company.			
14.6	From the Slippage report, quantify the slippage by year. Link the slippage by year amount to the Actual column on the Extrapolation page. Using the amounts where Actual slippage has been provided, calculate the error rate to be used for years where information is not available. <b>NOTE:</b> Extrapolation should only be calculated back to the date when the Company's gift card program first began.			
<b>Phase IV: Unclaimed Property - Royalties Review</b>				
<i>Royalties are most commonly found in Holder industries such as: Oil and Gas, Music and Entertainment, Sports.</i>				
15	Review the Company's Trial Balance for accounts associated with Royalties.			
15.1	Request the detail to the Royalty accounts. Detail should include complete address information including Payee name, street address, city, state, and zip code, as well as issue date information.			
15.2	If the Holder is filing unclaimed property reports and escheating Royalties, request the detail for the Unclaimed Property filings. Review each filing to confirm that Royalties are being escheated to the proper state following the Priority Rules. <b>NOTE:</b> Many Holders escheat Royalties to their State of Incorporation or a State of Reciprocity.			
15.3	Quantify the Royalty liability based on the date that the Royalty is issued. Link the Actual amounts by year to the Actual column on the Extrapolation page. Using the amounts where actual Royalties have been provided, calculate the error rate to be used for years where information is not available			
<b>Phase V: Final Review - Extrapolation Page</b>				
16	Heading to reflect Holder Name, State of Incorporation, Property Type review reflected on respective Extrapolation page.			
16.1	<b>Box A:</b> to reflect Holder Name, State of Incorporation, Date of Incorporation <b>Box B:</b> to reflect information for account under review (ex: Bank Account Name, Bank Account Number, GL Account #, Open/Close Date, etc.)			
16.2	Confirm "Year" column reflects earliest year of review through current			

Audit Procedures - COMPANY NAME - STATE, STATE, STATE

INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
16.3	Confirm "Total Revenue for Extrapolation" column reflects revenue for earliest year of review through current. Where revenue is not provided by Company (Tax Returns and/or Audited Financial Statements), calculate Growth Rate using Growth Rate model. Total Revenue for Extrapolation reflected should equal the total revenue for years where Actual information is provided.			
16.4	Confirm Actual Unclaimed (Property Type) column total ties to the respective Pivot table total.			
16.5	For Outstanding Check reviews and On Balance Sheet AR, Percentage of Unclaimed (Property Type) column is calculated by dividing Actual Unclaimed (Property Type) by Total Revenue for Extrapolation amount. Percentage should be reflected in column cells for all years where Actual data is not provided or is not available/researchable. For Samples, the Percentage of Unclaimed (Property Type) column is calculated from the Sample results. Please confirm error rate reflected on Extrapolation page is equal to the error rate resulting from the Sample review, on Sample Summary page.			
16.6	Projected Unclaimed (Property Type) should equal the total by year of the amounts calculated by multiplying the Percentage Unclaimed (Property Type) by the extrapolation base. Confirm that the total reflected is the sum of all total column.			
16.7	Actual Amount to reflect the total amount of Actual unclaimed property liability for account reflected on respective extrapolation page. This cell should tie to the Actual Unclaimed (Property Type) total, as well as, to Pivot table. Years reflected should be the years for which Actual information was provided.			
16.8	Projected Amount to reflect the total amount of estimated unclaimed property liability for years where actual information is not provided. This cell should tie to the Projected Unclaimed (Property Type) total. Years reflected should be the years for which an extrapolated liability is calculated.			
16.9	Current due should equal the Unclaimed Property amount that is currently due to the State based on the Company's State of Incorporation, dormancy period for the specific property type being reviewed. Years reflected should be the earliest year of review through the current dormant year.			
16.10	Future due should equal the Unclaimed Property amount that would be due in the future to the State based on the Company's State of Incorporation, dormancy period for the specific property type being reviewed. Years reflected should be the first year following what is currently dormant, through the most current year of review.			
16.11	Notes: Each note should reflect the steps taken during the review of the respective property type/account. Confirm that the Notes are reflective of the review performed and add any additional Notes deemed relevant.			
<b>High Level Summary</b>				
17	Each Property Type/Account under review, for each Entity/Company/Subsidiary should be listed on the High Level Summary tab. Information to include Company Name, Property Type- Review Type, Review As Of date, Account Information (Bank, GL).			
17.1	Actual Amounts Section: Should tie to the Actual Unclaimed (Property Type) cell on the Extrapolation page. This number should be Hyperlinked.			
17.2	Extrapolation Column should link to the Projected Unclaimed (Property Type) cell.			
17.3	Total Column should total the Actual amount and the Extrapolation amount.			
17.4	Actual (A) or Extrapolated (E) Column should reflect the years in which are Actual property amounts and Extrapolated for the respective property type.			
17.5	Current Amount Due Column should link to the Current Due cell on the Extrapolation page.			
17.6	Future Amount Due Column should link to the Future Due cell on the Extrapolation page.			
17.7	Confirm that all amounts on the High Level Summary tab are correct. The Total Column should equal the total of the Current and Future Amount Due columns.			



Audit Procedures - COMPANY NAME - STATE, STATE, STATE				
INDEX	ACTION STEP	FILE FOLDER	COMMENTS	COMPLETION DATE
<b>Phase IV - Final Report to Company</b>				
FR 1	IA Group provides Company with Final Report, by Property category.			
FR 1.1	Remediate Final Report - False positives, Filed, Due Diligence, Refunds, and Addresses.			
FR 1.2	Company to prepare and mail due diligence letters to all payees including but not limited to employees, vendors, and customers.			
FR 1.3	Recalculate liability based on due diligence results.			
FR 1.4	Company to reissue items to employees, vendors, customers, etc., where applicable.			
<b>Phase IV - Final State Reports</b>				
FSR 1	Receive final State mandate from states included in Audit.			
FSR 1.1	Prepare final reports to be submitted to respective states.			
FSR 1.2	Provide final reports and payments to applicable states active in Audit.			

**NOTES:**

- <sup>1</sup> All property that is not associated with an address or is associated with an address that is located outside of the United States, will be sourced to the Company's state of incorporation.
- <sup>2</sup> For all years where actual property is not available for review, as confirmed by the Letter of Attestation, an extrapolation will be calculated based on the years in which actual information has been provided and reviewed. The extrapolation will be remitted to the Company's state of incorporation.
- <sup>3</sup> Where addressable information is available, IA Group uses the respective dormancy periods and applies other state specific rules when calculating the unclaimed property liability due to each state included in the audit review. Where addressable information is not available, or where the address is located outside of the United States, IA Group will follow the rules of the state of Incorporation in determining dormancy periods as well as when applying other applicable rules.
- <sup>4</sup> If Company chooses not to cooperate with the audit procedures of IA Group, IA Group will contact the State to notify of such non-cooperation and further audit procedures will be at the discretion of the State.



**Company Name X**  
*Initial Document Request - Scoping Request*  
 Date

**1) Tax Return Information**

Please provide the following sections of the filed Federal Form 1120 for Company as of the most current year end and for as far back as available:

- (a) Form 1120 (or 1065), pages 1-5.
- (b) Form 851 Affiliations Schedule.
- (c) Consolidating Income Statement (including elimination columns) which reconciles to page 1 taxable income, listing P&L activity by line item for all legal entities (with legal name, FEIN#, state and date of formation/incorporation).
- (d) Consolidating Balance Sheet (including elimination columns), which reconciles to Schedule L- Balance Sheet per Books, listing all Balance Sheet line items for all legal entities, including those disregarded for Federal tax purposes (with legal name and FEIN#).

If the Company is a partnership or other form of a legal entity, please provide the Form 1065 or any other applicable Federal Forms filed.

**2) Apportionment Schedules**

Please provide the Company's apportionment schedule as of the most current year end (YEAR). The schedule should specifically reflect State apportionment for Sales/Revenue and Payroll.

**3) Current Corporate Organizational Chart**

Please provide Company's corporate organizational chart as of (THE MOST CURRENT YEAR END) including parent, subsidiaries, and affiliates. This should include states of formation/incorporation, dates of formation/incorporation, and FEIN numbers.

**4) Company Background/ Business Operations**

- (a) Please provide the whether the Company is on a Calendar or Fiscal Year End. If Fiscal, please provide the Year End date.
- (b) Please provide a description of the Company's business activity.
- (c) Please provide the data processing software currently in use by the Company. Please provide prior software system information and the dates that those systems were in use.

**5) Prior Abandoned and Unclaimed Property Filings, Audits or VDAs**

Please provide copies of any previously filed unclaimed property filings/reports and workpapers. For prior audit workpapers or Voluntary Disclosure Agreements with any state, please include demands for payment and release agreements.

If you have not previously been audited and have not submitted a Voluntary Disclosure Agreement to the State, please provide confirmation of this in writing.

**6) Bankruptcy Disclosure**

If the Company has previously filed for Bankruptcy, please provide a detailed explanation of the type of Bankruptcy filed and the reasoning behind the Bankruptcy filing.

Please provide the bankruptcy papers that support/reflect the following:

- (a) Date of Bankruptcy Petition and the abandoned property that was identified in the filed petition;
- (b) The State or States identified as creditors in the petition;
- (c) Evidence showing that notice was given to the State(s) of the filed bankruptcy petition; and
- (d) The precise language of the release in bankruptcy that the Holder is relying upon and the exact date of release of pre-petition claims.

**7) Acquisition History**

Please provide a list of Companies that Company has acquired for as far back as available. Please also provide documentation to support the date of acquisition and the type of acquisition (i.e. stock or asset), as well as the acquired Company's state and date of incorporation. Please also note whether the acquired Company has previously filed for bankruptcy.

**8) Record Retention Policy**

Please provide a copy of the Company's current record retention policy.

9) **Authorization Letter**

Please identify any and all persons or entities (other than your Board of Directors, if applicable) with authority to bind the Company, including those acting pursuant to a Power of Attorney ("POA") together with telephone and electronic contact information.

Be aware that someone with this authority can bind the Company in the absence of the presence of a Company representative. It is suggested that persons with a POA or Advocate status not act independently without copying a Company representative. Provide a copy of all authorizations.

***Please provide all requested information prior to the Opening Conference Call.***



**Innovative Advocate Group**

*Specializing in Unclaimed Property Examinations*

**Holder:**

**States Included in Examination:**

**Date of Audit Initiation Letter:**

**Holder Advocate:**

**Opening Conference Call - Date**

*Agenda/ Talking Points*

- Introduction to Kelly D’Emilia, IA Group
- Introduction of Holder’s Representatives
  
- Audit Process / Timing
  - Disclaimer – Holder has ability to call State
  - Lookback period – By State
  - Property Types – AR, AP, Payroll, Benefits, etc...

NOTES: \_\_\_\_\_  
\_\_\_\_\_

- SharePoint Portal – Need list of those who need access and their email address
- Explanation of Initial Information Request – Scoping Request
  - Prior Filings to be provided as soon as possible, if previously filed and filings are not provided, IA Group will not use sampling for Voids reviews.
- Deadlines – for providing requested documents

NOTES: \_\_\_\_\_  
\_\_\_\_\_

- Attestation Letter

NOTES: \_\_\_\_\_  
\_\_\_\_\_

*Next Steps*

- Biweekly Status Calls
- Call Notes/Status Workplan (sent after every call)
- Call Recording

Company X  
 Second Information Request  
 Date

**1) Trial Balance Analysis**

For each entity chosen for review and referenced as in-scope, please provide a Trial Balance for the most recent year-end (or, to the extent the entity has been merged into another company, please provide for the last year pre-merger) and for years as far back as can be provided. Each Trial Balance should itemize individual account numbers, together with zero balance accounts, including but not limited to, cash, accounts receivable, accounts payable, and other liabilities. Please identify any in-scope entities that do not maintain a separate trial balance. Please also provide a Chart Of Accounts to support the Trial Balance.

*For Companies not incorporated in one of the Auditing State(s), please only provide the most current year-end Trial Balance.*

**2) Accounts Receivable Aging Reports**

For each of the in-scope entities listed, please provide an accounts receivable aging as of (YEAR END), reflecting transactions at a customer invoice level. Please reflect aging categories current, 30-60 days, 60-90 days, 90-280 days, 180-365 days, and 366 days plus. **REQUESTED AGINGS TO BE PROVIDED IN EXCEL FORMAT.**

- i. Please provide the accounts receivable aging reports for each of the Companies (calendar/fiscal) year ends for as far back as available.
- ii. Each report should include such detail as customer number, customer name, customer address, invoice number, invoice amount, and invoice date.
- iii. The report should include all current and aged balances, both debits and credits, and should tie to the respective entity's trial balance accounts receivable account(s).
- iv. Please provide the requested aging in Excel format, or if not available in Excel, in an available electronic format.

*For Companies not incorporated in one of the Auditing State(s), please only provide the most current year-end Accounts Receivable Aging Report.*

Medical Industry request, if applicable:

**3) Unapplied Trial Balance Accounts**

Please provide a complete listing of all Unapplied (or "Dummy") Trial Balance Accounts to which payments are held in suspense prior to being applied to the respective patient/insurance accounts.

- i. Please provide all transaction level detail as of (YEAR END) to tie to the balance of the respective Trial Balance account as of (YEAR END). Please include all applicable patient information (i.e. patient number, name/address). **REQUESTED DETAIL TO BE PROVIDED IN EXCEL FORMAT.**

**3) Accounts Receivable Policies and Procedures**

For each in-scope entity listed, please provide accounts receivable policies and procedures, including write-off policies and procedures (i.e. the removal of aged customer credits from the active accounts receivable accounts), including:

- i. Due Diligence procedures followed to customer overpayments, unapplied cash, and unidentified remittances;
- ii. Communications including monthly statements or correspondence sent to current and inactive customers;
- iii. Any threshold guidelines for writing-off stale customer credits; and
- iv. Listing of Trial Balance accounts (bad debt, doubtful accounts, etc.) to which adjustments are made.

**4) Accounts Payable/ Payroll**

Please complete the attached *Disbursement Account Matrix*.

**5) Benefit Programs**

Please complete the attached *Benefit Program Matrix* for each entity included in the scope of the examination, listing each benefit program that your company offers, noting as self-insured or fully insured. Please identify all current programs and providers, as well as former programs and/or providers that have been discontinued and are no longer utilized. Please identify any in-scope entities that do not have employee benefit programs.

For each of the third party administered plans (reflected on the attached Matrix), please provide a copy of the contract between the Company and the TPA. If a copy of the contract cannot be obtained, please provide a letter from each administrator stating that the administrator is responsible for the escheatment of all uncashed checks.

Company  
Third Information Request  
Date

1) **Accounts Payable**

For each of the accounts payable accounts listed below, please provide the following as of (MOST CURRENT YEAR END):

- i. **Outstanding Checklist:** Please provide the Company prepared outstanding checklist to tie to the respective Trial Balance Account. Listing should include payee name, payee address, check number, check amount, date of check issuance. **OUTSTANDING CHECKLIST TO BE PROVIDED IN EXCEL FORMAT.**
- ii. **VOIDS/STOP PAYMENTS/CANCELLED/WRITE-OFFS:** Please provide a listing of all voids, stop payments, cancelled, and/or written off checks from the accounts payable accounts listed below, as of the most current year end, dating back to the earliest year that information is available. The listing should include payee name, payee address, check number, check amount, date of check issuance AND date of void. **CHECKLIST TO BE PROVIDED IN EXCEL FORMAT.**
- iii. **Bank Package:** Monthly bank reconciliations for periods starting December (YEAR END) and then for as far back as available. *(This should include original bank statements provided by the Bank, reconciliation prepared by the Company, and detailed listing of outstanding checks, void check listing, deleted check listing and stop payment reports.)*

Entity Name	G/L Account Name	Bank Account Name/ Number
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For each of the closed accounts payable accounts listed above, please provide the last two Bank Packages for the account prior to its closing. The Bank Package should include the bank reconciliation, reconciliation prepared by the Company, detailed listing of outstanding checks, deleted check listing, and stop payment reports.

2) **Payroll**

For each of the payroll accounts listed below, please provide the following as of (MOST CURRENT YEAR END):

- i. **Outstanding Checklist:** Please provide the Company prepared outstanding checklist to tie to the respective Trial Balance Account. Listing should include payee name, payee address, check number, check amount, date of check issuance. **OUTSTANDING CHECKLIST TO BE PROVIDED IN EXCEL FORMAT.**
- ii. **VOIDS/STOP PAYMENTS/CANCELLED/WRITE-OFFS:** Please provide a listing of all voids, stop payments, cancelled, and/or written off checks from the payroll accounts listed below, as of the most current year end, dating back to the earliest year that information is available. The listing should include payee name, payee address, check number, check amount, date of check issuance AND date of void. **CHECKLIST TO BE PROVIDED IN EXCEL FORMAT.**
- iii. **Bank Package:** Monthly bank reconciliations for periods starting December (YEAR END) and then for as far back as available. *(This should include original bank statements provided by the Bank, reconciliation prepared by the Company, and detailed listing of outstanding checks, void check listing, deleted check listing and stop payment reports.)*

Entity Name	Bank Account Name	Bank Account Number
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*For Entities incorporated in States other than the Auditing State(s), please provide only the most current year-end bank package and outstanding checklist.*

For each of the closed payroll accounts listed above, please provide the last two Bank Packages for the account prior to its closing. The Bank Package should include the bank reconciliation, reconciliation prepared by the Company, detailed listing of outstanding checks, deleted check listing, and stop payment reports.

If utilizing a third party Payroll provider, please provide the payroll process for account funding, check issuance, and voiding a check.

3) **Accounts Payable and Payroll: Policies and Procedures**

For each in-scope entity listed, please provide accounts payable and payroll policies and procedures, including void and write-off policies and procedures (i.e. the removal of aged outstanding checks from the active accounts payable accounts), including:

- i. Due Diligence procedures followed for outstanding employee and vendor checks;
- ii. Communications including monthly statements or correspondence sent to active/inactive vendors and active/inactive employees;
- iii. Any timing guidelines for writing-off outstanding checks; and
- iv. Listing of Trial Balance accounts (liability, unclaimed funds, etc.) to which adjustments are made.
- v. When a bank account closes, please provide a description of how outstanding checks are handled (i.e. moved into the new account, voided, written-off, etc..)

4) **Escheat Policies and Procedures**

Please provide any written policies and procedures regarding all property categories that Corporation reports as unclaimed property. If these policies and procedures have been revised over time, please provide the historical as well as the current policies and procedures. If these policies and procedures vary by entity included in the scope of the examination, please provide the historical and current escheat policies and procedures for each entity.

Unclaimed Property Compliance Systems

- i. **General Ledger Property:** For each entity included in the scope of this examination, please provide a description of any unclaimed property compliance systems used for tracking and reporting accounts payable, payroll, accounts receivable, etc., as well as the date the systems were implemented. In addition, if a third-party firm assists in the due diligence and escheat process, please identify this company and the date it was engaged.



Company  
Third Information Request  
Date

5) **Rebates**Customer Rebates

Does the Company have any trade/ promotional rebate programs with their Customers? Please provide a brief description of the programs (i.e. how discount is qualified such as volume, display, etc.) and provide dates when initiated and closed, if applicable. Please also provide detail for inactive programs.

- i. If trade/ promotional rebate programs are in place, please provide examples of contracts between the Company and its Customers for the various types of programs in place.
- ii. How are payments to customers disbursed? Via check (AP or other type of disbursement account) or by Credit (AR)?
- iii. If payments are processed in a separate account, outside of Accounts Payable, please provide the last bank reconciliation for any closed accounts, including a list of outstanding items at the date when the account was closed. (List to include detail such as, payee name, payee address, check number, check amount, and check date) Please provide in Excel or text files, if possible.
- iv. Please provide the most recent year-end bank reconciliation for any trade/ promotional account still in operation, including a list of state dated items. (List to include detail such as, payee name, payee address, check number, check amount, and check date).
- v. If it was the policy of the Company to write off stale dated checks to income, please provide a list of written off items from as far back as available through present. (List to include detail such as, payee name, payee address, check number, check amount, and check date).
- vi. Please provide a download of all voids from the trade/ promotional accounts for the earliest year information is available. Void listing should include payee name, payee address, check number, check amount, date of check issuance AND date of void. Please provide in Excel or text files, if possible.
- vii. Please provide the name, title, department, telephone number, fax number and email address for the person responsible the rebate programs and disbursement of rebate checks.
- ix. If an accrual account is utilized for a Customer Rebate program, please provide the process/journal entries for creating the accrual and posting the Rebates to the Customer account.

Consumer Rebates

Does the Company have any rebate programs with their Consumers? Please provide a brief description of the programs and provide dates when initiated and closed, if applicable. Please identify all rebate programs that have been conducted within the last 10 years, providing the beginning and ending date of each program.

- i. Please provide historical policies and procedures followed by the Company for outstanding Consumer Rebate checks. This should include a brief description of the procedure for an outstanding check. If it is the policy of the Company to write-off stale dated Consumer Rebate checks to income, please provide a list of items written off for periods as far back as available through current. (List to include detail such as, payee name, payee address, check number, check amount, and check date)
- ii. Did the Company utilize a third party administrator ("fulfillment house") for any of its rebate programs? If applicable, please provide the name of each fulfillment house utilized to provide rebate fulfillment services, and the dates during which each fulfillment house was employed. Also, please provide a description of the fulfillment house's responsibilities (i.e. issuance and processing of rebate checks).
- iii. Please provide the mailing address for each fulfillment house and the name and phone number of the primary contact.
- iv. For each fulfillment house presently or previously used to process rebate claims, please identify the following:
  - a) Details regarding the bank accounts that support the issuance, clearance, and reconciliation of the rebate checks;
  - b) Name of Bank where disbursement accounts are maintained;
  - c) Ownership information of actual bank disbursement account(s) - i.e. owned by Company or fulfillment house?
  - d) Funding of rebate programs, how and from where are the disbursement accounts funded.
- v. Are separate bank disbursement accounts established for each separate rebate program?
- vi. Please provide the most recent year-end bank reconciliation for any trade/ promotional account still in operation, including a list of state dated items. (List to include detail such as, payee name, payee address, check number, check amount, and check date).
- vii. If it was the policy of the Company to write off stale dated checks to income, please provide a list of written off items from as far back as available through present. (List to include detail such as, payee name, payee address, check number, check amount, and check date).
- ix. Please provide a download of all voids from the trade/ promotional accounts for the earliest year information is available. Void listing should include payee name, payee address, check number, check amount, date of check issuance AND date of void. Please provide in Excel or text files, if possible.
- x. Please provide the name, title, department, telephone number, fax number and email address for the person responsible the rebate programs and disbursement of rebate checks.

Confidential

As of October 22, 2014



Date Requested	Date Received	Days Outstanding/ Days Until Completion	Comments
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**Tax Return Information**

Please provide the following sections of the filed Federal Form 1120 for Company for as far back as available:

- (a) Form 1120, pages 1-5.
- (b) Form 851 Affiliations Schedule.
- (c) Consolidating Income Statement (including elimination columns) which reconciles to page 1 taxable income, listing P&L activity by line item for all legal entities (with legal name, FEIN#, state and date of formation/ incorporation).
- (d) Consolidating Balance Sheet (including elimination columns), which reconciles to Schedule L- Balance Sheet per Books, listing all Balance Sheet line items for all legal entities, including those disregarded for Federal tax purposes (with legal name and FEIN#).

October 22, 2014	October 24, 2014	2	Received
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**Current Corporate Organizational Chart**

Please provide Company's corporate organizational chart as of 2013 including parent, subsidiaries, and affiliates. This should include states of formation/incorporation, dates of formation/incorporation, and FEIN numbers

October 22, 2014	October 24, 2014	2	Received
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**Company Background/ Business Operations**

- (a) Please provide the whether the Company is on a Calendar or Fiscal Year End. If Fiscal, please provide the Year End date
- (b) Please provide a description of the Company's business activity.
- (c) Please provide the data processing software currently in use by the Company. Please provide prior software system information and the dates that those systems were in use.

October 22, 2014		6	Outstanding
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**Prior Abandoned and Unclaimed Property Audits or VDAs**

Please provide copies of any previous unclaimed property filings or reports and workpapers, including demands for payment and release agreements, from any prior audits or Voluntary Disclosure Agreements with any state.

If you have not previously been audited and have not submitted a Voluntary Disclosure Agreement to the State, please provide confirmation of this in writing.

October 22, 2014		6	Outstanding
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**Bankruptcy Disclosure**

If the Company has previously filed for Bankruptcy, please provide a detailed explanation of the type of Bankruptcy filed and the reasoning behind the Bankruptcy filing. Please provide the bankruptcy papers to that support/reflect the following:

- (a) Date of Bankruptcy Petition and the abandoned property that was identified in the filed petition
- (b) The State or States identified as creditors in the petition;
- (c) Evidence showing that notice was given to the State(s) of the filed bankruptcy petition; and
- (d) The precise language of the release in bankruptcy that the Holder is relying upon and the exact date of release of pre-petition claims.

October 22, 2014	October 24, 2014	2	Received
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**Acquisition History**

Please provide a list of Companies that Company has acquired for as far back as available. Please also provide documentation to support the date of acquisition and the type of acquisition (i.e. stock or asset), as well as the acquired Company's state and date of incorporation.

October 22, 2014	October 24, 2014	2	Received
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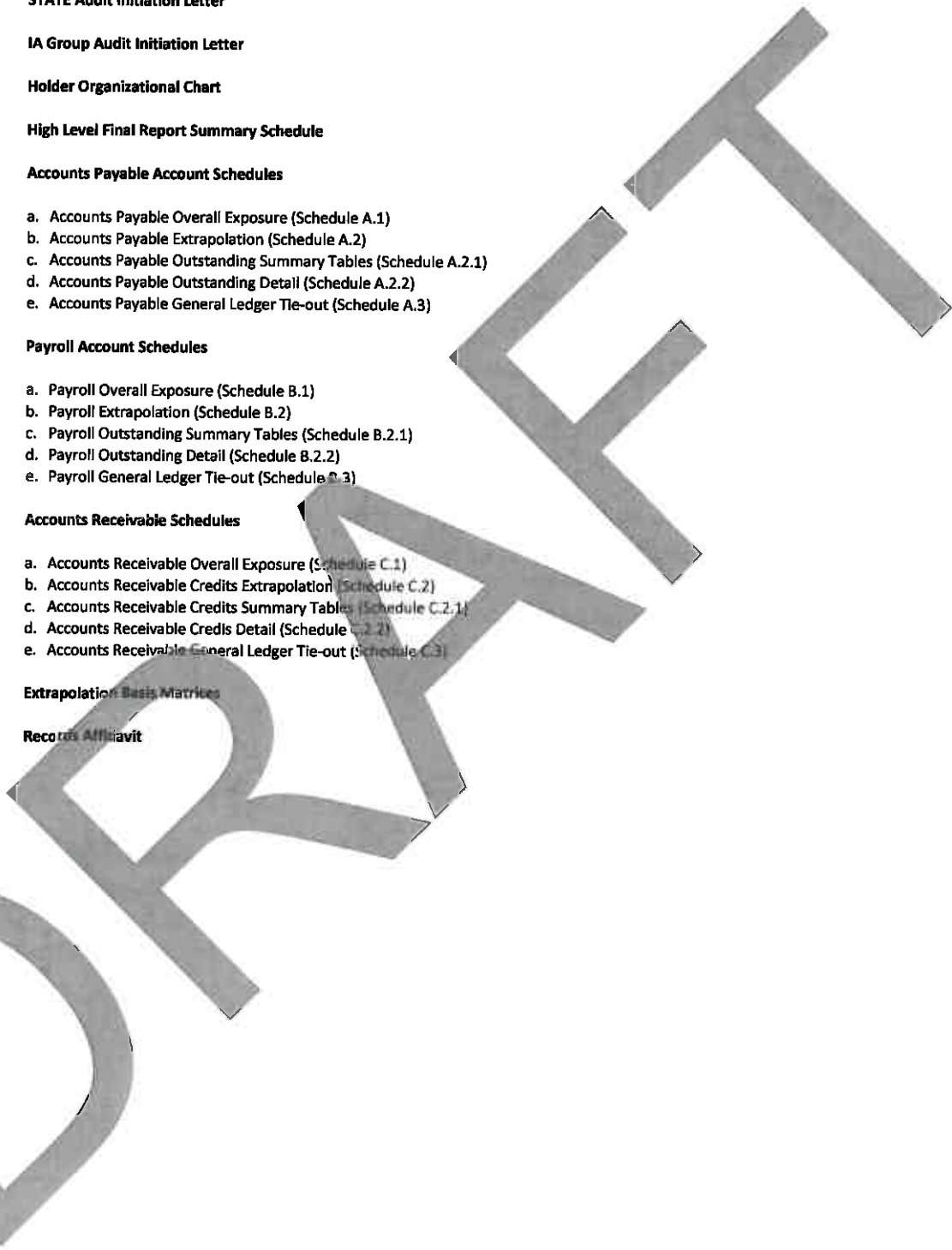
## IA Group - Audit Company Status Summary

<u>State Audit Letter Sent:</u>	<u>As of:</u>	<u>Comments:</u>	<u>Holder Contact Name:</u>	<u>Third Party Advocate:</u>	<u>NDA</u>
5/31/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Follow-up request for documentation to support response sent on September 18, 2013.</li> <li>• Provided all requested information for 2005-2011, including confirm of no prior VDA/Audit.</li> <li>• Second Information Request sent (emailed) to Company on September 30, 2013.</li> <li>• Had conference call October 8, 2013 with Contact to walk through and discuss Second Information Request.</li> </ul>	Name Phone # Email	N/A	NO
5/31/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Second Information request sent September 10, 2013, documentation received September 27, 2013</li> <li>• IA Group currently reviewing information received (TB/GL data, AR Agings, Revenue Matrix)</li> <li>• Had conference call on October 8, 2013 to discuss information provided to date.</li> </ul>	Name Phone # Email	Name Phone # Email	YES
5/31/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Second Information request sent September 11, 2013</li> <li>• Received information as requested on Second Information Request. IA Group to review documents, October 3, 2013.</li> <li>• Had call with Company to answer Second Information follow-up questions on September 18, 2013. Follow up conference call on September 24, 2013.</li> <li>• Status update call on October 7, 2013 about what the difference is between AR Detailed TB and AR Detailed Aging Mapics</li> </ul>	Name Phone # Email	Name Phone # Email	NO
5/31/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Second Information Request sent on September 4, 2013.</li> <li>• IA Group working with Company regarding Confidentially Agreement.</li> <li>• IA Group sent Company NDA on September 17, sent signed NDA on September 30, 2013.</li> <li>• Had status call on September 26, 2013. Walked through email from Contact.</li> <li>• Received Trial Balance for Company as of Dec. 31 for 2000-2012. on October 4, 2013.</li> <li>• Form 1120, missing supporting docs (1992-2004) on October 2, 2013.</li> </ul>	Name Phone # Email	N/A	YES
4/25/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Second Information Request sent on June 7, 2013.</li> <li>• Disbursement Account Matrix, Benefits Matrix, and Trial Balance (2005-2012) provided.</li> <li>• Received A/R Agings Reports for 2013.</li> <li>• A/R policies and procedures: partial - current professes for credits, overpayments, and unapplied cash.</li> <li>• A/P (Payroll) Recieved</li> <li>• Uclaimed Property Escheat History received</li> </ul>	Name Phone # Email	Name Phone # Email	YES
5/31/2013	10/17/2013	<ul style="list-style-type: none"> <li>• Currently working on NDA.</li> <li>• Information Request sent on August 16, 2013.</li> <li>• Received prior VDA docs on August 3, 2013</li> <li>• Rescheduling kick-off call.</li> </ul>	Name Phone # Email	Name Phone # Email	YES
9/19/2013	10/17/2013	<ul style="list-style-type: none"> <li>• State sent Audit Initiation letter to Company on September 19, 2013.</li> <li>• Sent Initiation Letter to Mr. CEO on September 26, 2013. Waiting for response back.</li> </ul>	Name Phone # Email	N/A	NO

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Company Name  
 State of Incorporation  
 Date of Incorporation  
 State of Examination

Final Report Summary	Actual Amounts					TOTAL	Actual (A) or Extrapolated (E)	Breakout		
	Payroll	Accounts Payable	Accounts Receivable Credits	Misc	Extrapolation				Current Amount Due	Future Amount Due
Entity One										
Property Type										
Bank Acct Name							PR - (A)YEARS, (E)YEARS			
Bank Acct #							AP - (A)YEARS, (E)YEARS			
GL #							ARC - (A)YEARS, (E)YEARS			
								\$ -	-	\$ -
Entity Two										
Property Type										
Bank Acct Name							PR - (A)YEARS, (E)YEARS			
Bank Acct #							AP - (A)YEARS, (E)YEARS			
GL #							ARC - (A)YEARS, (E)YEARS			
								\$ -	-	\$ -
Entity Two										
Property Type										
Bank Acct Name							PR - (A)YEARS, (E)YEARS			
Bank Acct #							AP - (A)YEARS, (E)YEARS			
GL #							ARC - (A)YEARS, (E)YEARS			
								\$ -	-	\$ -
TOTAL								\$ -	-	\$ -

DRAFT



Company Name  
 Abandoned and Unclaimed Property Service  
 State of Incorporation  
 Report Page - Schedule

Company Name  
 State of Incorporation  
 Date of Incorporation

Property Type  
 G/L #  
 Bank Account #  
 Bank Account Open/Close Date

Year	Total Revenue for Extrapolation	Actual Unclaimed AP/PR/AR	Unclaimed for Extrapolation Base	Percentage Unclaimed AP/PR/AR	Projected Unclaimed AP/PR/AR
1981 - 2012	\$ -	\$ -	\$ -	#DIV/0!	\$ -
2012	\$ -				
2011	\$ -				
2010	\$ -				
2009	\$ -				
2008	\$ -				
2007	\$ -			#DIV/0!	\$ -
2006	\$ -			#DIV/0!	\$ -
2005	\$ -			#DIV/0!	\$ -
2004	\$ -			#DIV/0!	\$ -
2003	\$ -			#DIV/0!	\$ -
2002	\$ -			#DIV/0!	\$ -
2001	\$ -			#DIV/0!	\$ -
2000	\$ -			#DIV/0!	\$ -
1999	\$ -			#DIV/0!	\$ -
1998	\$ -			#DIV/0!	\$ -
1997	\$ -			#DIV/0!	\$ -
1996	\$ -			#DIV/0!	\$ -
1995	\$ -			#DIV/0!	\$ -
1994	\$ -			#DIV/0!	\$ -
1993	\$ -			#DIV/0!	\$ -
1992	\$ -			#DIV/0!	\$ -
1991	\$ -			#DIV/0!	\$ -
1990	\$ -			#DIV/0!	\$ -
1989	\$ -			#DIV/0!	\$ -
1988	\$ -			#DIV/0!	\$ -
1987	\$ -			#DIV/0!	\$ -
1986	\$ -			#DIV/0!	\$ -
1985	\$ -			#DIV/0!	\$ -
1984	\$ -			#DIV/0!	\$ -
1983	\$ -			#DIV/0!	\$ -
1982	\$ -			#DIV/0!	\$ -
1981	\$ -			#DIV/0!	\$ -

Actual Amount	\$ -	2008 - 2012
Projected Amount	\$ -	1981 - 2007
Total	\$ -	1981 - 2012

Current Due	\$ -	1981 - 2008
Future Due	\$ -	2009 - 2012
Total	\$ -	1981 - 2012

Company X provided actual Revenue for years 2000 - 2012.  
 Revenue for years 1981 - 1999 is based on a growth rate.

2012	\$ -	
2011	\$ -	#DIV/0!
2010	\$ -	#DIV/0!
2009	\$ -	#DIV/0!
2008	\$ -	#DIV/0!
2007	\$ -	#DIV/0!
2006	\$ -	#DIV/0!
2005	\$ -	#DIV/0!
2004	\$ -	#DIV/0!
2003	\$ -	#DIV/0!
2002	\$ -	#DIV/0!
2001	\$ -	#DIV/0!
2000	\$ -	#DIV/0!

- Note 1. Company X was incorporated in the State of X on Month Day, Year
- Note 2. Property Type exposure is based on document (i.e. outstanding check(s)) covering the period 2008 - 2012. Document has been tied to the Company X General Ledger.
- Note 3. Items issued (and outstanding, or voided within a amount of days), totaling \$XX, have been excluded from the calculation above, as [it is possible that many of these checks have not cashed in the normal course of business, or it is due to the checks being voided within the normal course of business].
- Note 4. Extrapolation is based on actual amounts from years 200X - 200X which represent complete years of data per (tax returns, P&L, audited financial statements) received.
- Note 4 (for Sample). Extrapolation is based statistical sample results, covering years 200X-200X. The statistical sample was prepared with 90% confidence, 10% precision.
- Note 5 (for Sample). Actual amounts due are representative of addressable and researchable Venue covering years 200X-200X, complete years as provided by Company.
- Note 6. Items cleared through the due diligence process and determined to be still owed, have been included for Extrapolation purposes. However, the actual liability reflects the amounts of state exemptions, and other state specific rules, have been applied.
- Note 7. All documents have been reviewed and tied out to the XX/XX/XXXX G/L Statement. Additionally, quarterly documents have been reviewed and tied out for the years XXXX - XXXX for completeness purposes.
- Note 8. (Revenue, Payroll Expense, Not Operating Expense) is used as the basis of extrapolation for Property Type. Actual (Revenue, Payroll Expense, Not Operating Expense) was provided for 2000 - 2012. (Revenue, Payroll Expense, Not Operating Expense) for years 1981 - 1999 is estimated using a growth rate based on actual revenues from years 2000 - 2012.

**ABC Company**

Abandoned and Unclaimed Property Review

State of Incorporation: AL

Payroll - Outstanding - Schedule

**Total Population**

<b>Row Labels</b>	<b>Sum of Total Amt</b>
2008	9,148
2009	1,321
2011	980
2010	1,000
<b>Grand Total</b>	<b>12,449</b>

**Population Outstanding > 60 days**

<b>Row Labels</b>	<b>Sum of Aged Amt</b>
2008	9,148
2009	1,214
2011	980
2010	1,000
<b>Grand Total</b>	<b>12,342</b>

**Total Population for Extrapolation**

<b>Row Labels</b>	<b>Sum of Extrap Amt</b>
2008	1,286
2009	1,214
2011	980
2010	1,000
<b>Grand Total</b>	<b>4,480</b>

**Total Actual Amount Due**

<b>Row Labels</b>	<b>Sum of Amt Due</b>
2008	1,286
2009	-
2011	980
2010	1,000
<b>Grand Total</b>	<b>3,266</b>

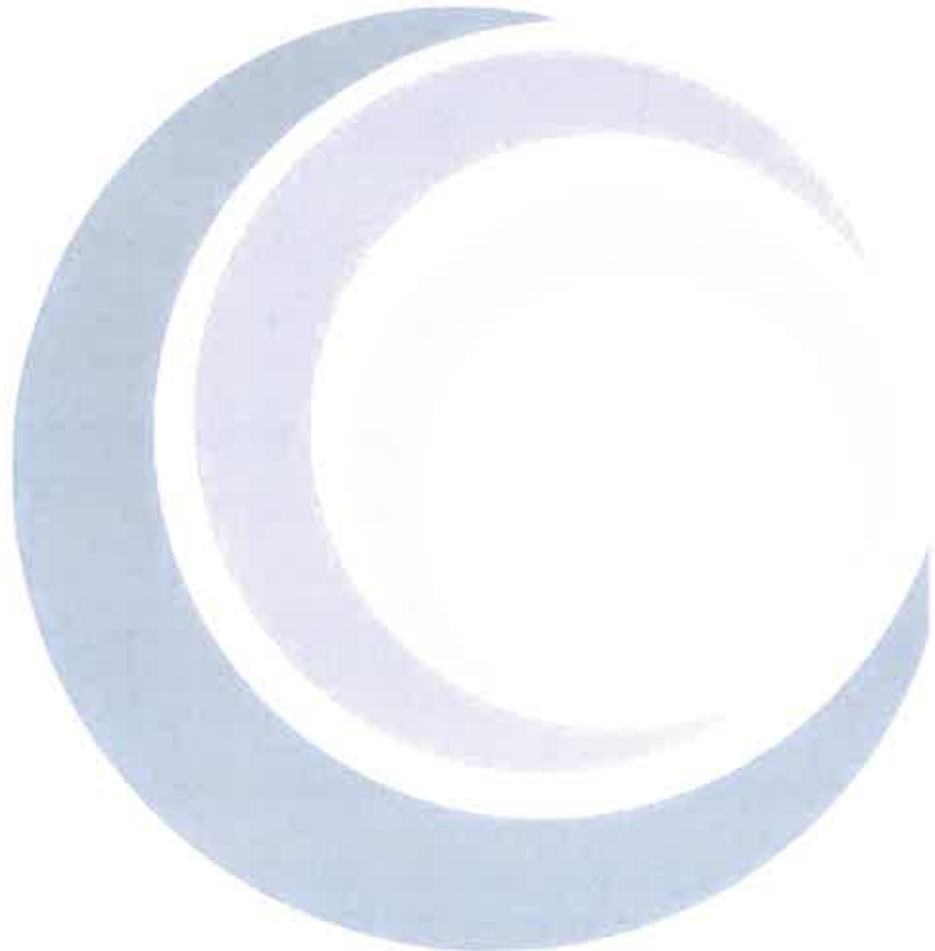


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**4.1.22 Confidentiality:** The Vendor must preserve the integrity of STO security and confidentiality. If the Vendor is engaged in handling confidential information, it shall exercise appropriate security precautions. The Vendor shall maintain as confidential all information concerning a Holder's property. Pursuant to W.Va. Code §36-8-25, unclaimed property records are confidential and not subject to the West Virginia Freedom of Information Act, W.Va. Code 29B-1-1 et seq. See Attachment 3, WVSTO Confidentiality and Non-Disclosure form. This form will be required to be completed prior to contract award.

*Please see attached Security Overview.*





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## Security Overview of Innovative Advocate Group, Inc.

For the purposes of the Confidentiality & Non-Disclosure Agreement by and between \_\_\_\_\_ and its subsidiaries and related entities and Innovative Advocate Group, Inc. ("IA Group"), the following represents the minimum data security standards for processing electronic records during the EXAMINATION:

To ensure the secure file transfer of confidential client data, IA Group uses Office365 SharePoint document management solutions from Microsoft Corporation hosted on their Azure secure cloud platform. Office365 SharePoint is a widely used commercial secure file transfer technology used internationally by all size organizations. The technology incorporates bank and government grade SSL encryption that is compliant with the highest levels of state and federal privacy regulations.

Office 365 is a security-hardened service, designed following the Microsoft Security Development Lifecycle. The service brings together the best practices from two decades of building enterprise software and managing online services. At the service level, Office 365 uses the defense-in-depth approach to provide physical, logical, and data layers of security features and operational best practices. In addition, Office 365 enterprise level enterprise-grade, user and admin controls to further secure the user environment. The security features include:

### Physical security

- 24-hour monitoring of data centers
- Multi-factor authentication, including biometric scanning for data center access
- Internal data center network is segregated from the external network
- Role separation renders location of specific customer data unintelligible to the personnel that have physical access
- Faulty drives and hardware are demagnetized and destroyed

### Show Hide Logical security

- Lock box processes for strictly supervised escalation process greatly limits human access to your data
- Servers run only processes on whitelist, minimizing risk from malicious code
- Dedicated threat management teams proactively anticipate, prevent and mitigate malicious access

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3 Harding Road · Suite E  
Red Bank, NJ 07701



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- Port scanning, perimeter vulnerability scanning, and intrusion detection prevent or detect any malicious access

### Show Hide Data security

- Encryption at rest protects your data on our servers
- Encryption in transit with SSL/TLS protects your data transmitted between you and Microsoft
- Threat management, security monitoring, and file/data integrity prevents or detects any tampering of data
- Rights Management Services prevents file-level access without the right user credentials
- Multi-factor authentication protects access to the service with a second factor such as phone
- S/MIME provides secure certificate-based email access
- Office 365 Message Encryption allows you to send encrypted email to anyone
- Data loss prevention prevents sensitive data from leaking either inside or outside the organization
- Data loss prevention can be combined with Rights Management and Office 365 Message Encryption to give greater controls to your admins to apply appropriate policies to protect sensitive data

Additional compliance details are listed below and more information can be found at:

<http://technet.microsoft.com/en-us/library/officc-365-compliance.aspx>

### **Microsoft Office365 Compliance Standards:**

1. Health Insurance Portability and Accountability Act (HIPAA): HIPAA imposes on our customers that may be "covered entities" under the law security, privacy, and reporting requirements regarding the processing of electronic protected health information. Microsoft developed Office 365 to provide physical, administrative, and technical safeguards to help our customers comply with HIPAA. We will sign a HIPAA Business Associate Agreement (BAA) with any customer. For more information about the HIPAA BAA, visit the HIPAA/HITECH FAQ.
2. Data processing agreements (DPAs): We provide customers with additional contractual





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assurances through DPAs regarding Microsoft handling and safeguarding of customer data. By signing DPAs, we commit to over 40 specific security commitments collected from regulations worldwide. [Click here to sign.](#) (Enterprise agreement customers should contact their account representative to obtain a DPA.)

3. **Federal Information Security Management Act (FISMA):** FISMA requires U.S. federal agencies to develop, document, and implement controls to secure their information and information systems. The FISMA FAQ describes how the Office 365 service follows security and privacy processes relating to FISMA.
4. **ISO 27001:** ISO 27001 is one of the best security benchmarks available in the world. Office 365 is the first major business productivity public cloud service to have implemented the rigorous set of physical, logical, process and management controls defined by ISO 27001.
5. **European Union (EU) Model Clauses:** The EU Data Protection Directive, a key instrument of EU privacy and human rights law, requires our customers in the EU to legitimize the transfer of personal data outside of the EU. The EU model clauses are recognized as a preferred method for legitimizing the transfer of personal data outside the EU for cloud computing environments. Offering the EU model clauses involves investing and building the operational controls and processes required to meet the exacting requirements of the EU model clauses. Unless a cloud service provider is willing to agree to the EU model clauses, a customer might lack confidence that it can comply with the EU Data Protection Directive's requirements for the transfer of personal data from the EU to jurisdictions that do not provide "adequate protection" for personal data. The EU model clauses FAQ describes the Microsoft regulator-endorsed approach for the EU model clauses.
6. **U.S.-EU Safe Harbor framework:** The U.S.-EU Safe Harbor framework also enables customers to legally transfer personal data outside of the EU under the EU Data Protection Directive. Office 365 follows the principles and processes stipulated by the U.S.-EU Safe Harbor framework.
7. **Family Educational Rights and Privacy Act (FERPA):** FERPA imposes requirements on U.S. educational organizations regarding the use or disclosure of student education records, including email and attachments. Microsoft agrees to use and disclosure restrictions imposed by FERPA that limit our use of student education records, including agreeing to not scan emails or documents for advertising purposes.
8. **Statement on Standards for Attestation Engagements No. 16 (SSAE 16):** Office 365 has been





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audited by independent third parties and can provide SSAE16 SOC 1 Type I and Type II reports on how the service implements controls.

9. **Canadian Personal Information Protection and Electronic Documents Act (PIPEDA):** The Canadian Personal Information Protection and Electronic Documents Act pertains to how private sector organizations collect, use, and disclose personal information in the course of commercial business. Microsoft supports compliance with PIPEDA through our administration of Office 365.
10. **Gramm–Leach–Bliley Act (GLBA):** The Gramm–Leach–Bliley Act requires financial institutions to put processes in place to protect their clients' nonpublic personal information. GLBA enforces policies to protect information from foreseeable threats in security and data integrity. Customers subject to GLBA can use Office 365 and comply with GLBA requirements.





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## 5. ADDITIONAL OPTIONAL SERVICES WHICH VENDOR MAY PROVIDE

**5.1. Additional Services:** Vendors with the minimum qualifications set forth in Section 3 and who want to oversee Vendor-Assisted Self-Audits must also meet or exceed the mandatory requirements listed below.

**5.1.1. Assistance:** Vendors must assist the STO in the identification, outreach, education and notification of potential holders of unclaimed property regarding the subject of unclaimed property and of the holders' obligation to file unclaimed property reports and remit those funds to the STO.

**5.1.2. Identification and Contact:** Vendor must research and identify potential holders of unreported unclaimed property that is past due. Vendor must contact those holders to participate in the Vendor-Assisted Self-Audit. If the holder agrees to participate in the Vendor-Assisted Self-Audit, Vendor must inform the STO and provide written justification and a Vendor-Assisted Self-Audit Plan to the STO.

**5.1.2.1. Written Justification:** Vendor's written justification must be based on the holder's reporting history and an indication of the holder's willingness to be compliant with the Act.

**5.1.2.2. Audit Plan:** The Vendor-Assisted Self-Audit plan must identify the Vendor's staff and the assistance that will be provided to the holder, an expected timeline to begin with an opening conference and conclude with a closing conference, the general methods to be employed and the time period to be covered by the Vendor-Assisted Self-Audit.

**5.1.3. Authorization:** Vendor must obtain prior written authorization from the STO to oversee a Vendor-Assisted Self-Audit to be conducted by a holder. The STO has the final and sole authority to determine who, if anyone, will take part in a Vendor-Assisted Self-Audit. All unclaimed property funds or securities submitted by the Vendor or the Holder pursuant to Vendor-Assisted Self-Audit conducted without prior written approval from the STO shall be received by the STO without compensation to the Vendor.



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**5.1.4. Vendor-Assisted Self-Audit:** Within 90 days of obtaining authorization from the STO, Vendor must contact the holder and begin to execute the Vendor-Assisted Self-Audit plan. The Vendor shall assist the holder to determine, report, and collect all types of unclaimed property in the possession of the Holder, within the scope of the audit due and owing the STO. Vendor shall explain its responsibilities to the holder which will include the following phases:

- i. Vendor will gather and document basic corporate information;
- ii. Vendor will review the financial statements in order to advise the holder of the types of property to be included in the Vendor-Assisted Self-Audit;
- iii. Vendor will review the self-audit analysis prepared by the holder;
- iv. Vendor will assist the preparation of the unclaimed property report;
- v. Vendor will prepare a final report to close the Vendor-Assisted Self-Audit; and
- vi. Vendor will review the holder's final report and submit the final report and remittance to the STO.

**5.1.5. Timeframe:** The Vendor-Assisted Self-Audit of holder's records must be completed within one (1) year from the date of the STO's authorization letter unless the STO grants an extension.

**5.1.6. Work-In Progress:** Vendor must submit WIP reports on all pending Vendor-Assisted Self-Audits in accordance with Section 4.1.17.

**5.1.7. Collection and Delivery:** Vendor must report all property remitted in accordance with Section 4.1.9 and 4.1.10 and credit interest as required by Section 4.1.15. The holder shall deliver any tangible property such as contents of safe deposit boxes directly to the STO.

**5.1.8. Education and Compliance:** Prior to closing the Vendor-Assisted Self-Audit, Vendor must educate the holder on its future compliance with the Act including those requirements noted in Section 4.1.7.



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**5.1.9. Compensation:** All fees of the Vendor for Vendor-Assisted Self-Audits will be a flat 9 percent (9%) of the net unclaimed property remitted to the STO. Net unclaimed property is the gross value of all unclaimed property, minus the value of all unclaimed property delivered by the Holder, if any, that otherwise would have been delivered pursuant to the reporting practices of the Holder as they existed prior to the execution of the agreement with the Vendor. Payment will be made in arrears, based upon invoices submitted by the Vendor, once property is received.

**6. CONTRACT AWARD:** The Contract is intended to provide Agency with a purchase price for the Contract Services. The Contract may be awarded to all Vendors that provides the Contract Services meeting the required specifications.

**7. PERFORMANCE:** Vendor and Agency shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Agency. In the event that this Contract is designated as an open-end contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.

**8. PAYMENT:** Agency shall pay Vendor in accordance with Section 4.1.21 and 4.1.22 for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia.

**9. TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.

**10. FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to Agency's facilities. In the event that access cards and/or keys are required:

**10.1** Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.

**10.2** Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.

**10.3** Vendor shall notify Agency immediately of any lost, stolen, or missing card





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or key.

**10.4** Anyone performing under this Contract will be subject to Agency's security protocol and procedures.

**10.5** Vendor shall inform all staff of Agency's security protocol and procedures.

## **11. VENDOR DEFAULT:**

**11.1.** The following shall be considered a vendor default under this Contract.

**11.1.1.** Failure to perform Contract Services in accordance with the requirements contained herein.

**11.1.2.** Failure to comply with other specifications and requirements contained herein.

**11.1.3.** Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.

**11.1.4.** Failure to remedy deficient performance upon request.

**11.2.** The following remedies shall be available to Agency upon default.

**11.2.1.** Immediate cancellation of the Contract.

**11.2.2.** Immediate cancellation of one or more release orders issued under this Contract.

**11.2.3.** Any other remedies available in law or equity.

## **12. MISCELLANEOUS:**

**12.1. Contract Manager:** During its performance of this Contract, Vendor must designate responsibilities under this Contract. The dedicated Contract Manager must have experience in providing audit services and must be available during normal business hours to address any customer service or other issues related to this Contract. If it becomes necessary for the Vendor to change the Contract





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Manager, the Vendor must notify the STO immediately. The replacement must have similar or more experience than the original Contract Manager. The STO reserves the right to approve any replacement at the time of the contract award or thereafter. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: **Kelly D'Emilia**

Telephone Number: **732.576.7710**

Fax Number: **732.741.3825**

Email Address: **Kdemilia@innovativeadvocate.com**



REQUEST FOR QUOTATION  
CRFQ STO1700000006 - Professional Auditing Services

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**Exhibit A**

**Glossary of Terms**

**Abandonment Period:** Time period from date of last owner activity; see *W.Va. Code* § 36-8-2 for additional information.

**Desk Audit Program:** Developed by STO for identification of and communication with Holders with no reporting history or history indicating inadequate reporting.

**Due Diligence:** Written notice sent by a Holder of unclaimed property to the apparent owner stating that the Holder is in possession of property subject to the Act; see, *W.Va. Code* §36-8-7(e) for additional information regarding this issue.

**Holder:** An entity obligated to hold for the account of, or deliver or pay to, the owner property subject to the Act.

**Out-of-proof reports:** Reports in which inaccurate records keeping results in more accounts listed in the report than actual accounts exist, for which property is remitted to the STO.

**NAUPA:** National Association of Unclaimed Property Administrators.

**Security:** Evidence of ownership of an interest in a business entity, such as common stock, mutual fund shares, or evidence of indebtedness, such as a bond.

**Vendor:** An entity contracting with the STO to provide Services pursuant to this RFQ.

# SOLICITATION NUMBER: CRFQ STO1700000006

## Addendum Number: 1

The purpose of this addendum is to modify the solicitation identified as CRFQ STO1700000005 ("Solicitation") to reflect the change(s) identified and described below.

### Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

### Description of Modification to Solicitation:

1. To provide responses to vendor questions.
2. To move the bid opening from 06/01/2017 to 06/08/2017.

**Additional Documentation:** Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

### Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

**ATTACHMENT A**  
**ADDENDUM NO. 1 -CRFQ STO1700000006**

**Q1: Section 5.1-Additional Services: Vendors with the minimum qualifications set forth in Section 3 and who want to oversee Vendor-Assisted Self-Audits must also meet or exceed the mandatory requirements listed below.**

**If the vendor does not wish to participate in these services, will they be considered less favorable or will the evaluators deem the preference as non-responsive?**

**A1: No**

**Q2: If not, can the vendor respond "...does not wish to participate in the Vendor-Assisted Self-Audit Service"?**

**A2: Yes**

**Q3: The RFP includes a provision which states "...West Virginia currently utilizes a Purchasing Card program...to process payment for goods and services. The Vendor must accept the State of West Virginia's Purchasing Card for payment of all orders under this Contract".**

**Please indicate whether a vendor who is not currently set up to accept purchase cards and does not currently accept purchase cards for payment by any other client could receive an exception from this requirement.**

**A3: The box in Section 15 in the General Terms and Conditions dealing with Purchasing Card Acceptance will now be checked which states:**

**15. PURCHASING CARD ACCEPTANCE: The State of West Virginia currently utilizes a Purchasing Card program, administered under contract by a banking institution, to process payment for goods and services. The Vendor must accept the State of West Virginia's Purchasing Card for payment of all orders under this Contract unless the box below is checked.**

**Vendor is not required to accept the State of West Virginia's Purchasing Card as payment for all goods and services.**

**Q4: The RFQ contains a set of Mandatory Requirements at Section 4 beginning on page 27 of the RFQ document. Is the State looking for a specific response to each of these Mandatory Requirements or are they included for informational purposes to identify the mandatory requirements for any bidder? If a response is requested, is a blanket acceptance of these items acceptable or must a section-by-section response be provided?**

**A4: Section 4 does identify the mandatory requirements for any bidder. A specific response to each section is not required. Additionally, a blanket response is acceptable.**

**Q5: Section 3.4 Quality Control Review Litigation**

The STO is requesting “quality control reviews of the Vendor’s work for the past two (2) years...” Could you please define “work” and identify the principles of quality control that the reviews need to address?

**A5:** Work is defined as audits performed by the Vendor. The principles that should be addressed must identify and confirm that the Vendor provides quality audits in accordance with all applicable standards.

**Q6: Section 4.1.22 Confidentiality**

“The Vendor shall maintain as confidential all information concerning a Holder’s property. Pursuant to W. Va. Code 36-8-25, unclaimed property records are confidential and not subject to the West Virginia Freedom of Information Act...See Attachment 3, WVSTO Confidentiality and Non-Disclosure Form...” There was no Attachment 3 in the RFQ. Will this be provided upon contract award?

**A6:** Attached – See Attachment 3.

**Q7:** It is unclear when vendors can anticipate receiving answers to questions. Can the STO please confirm when Vendors can anticipate receiving a written response published in a Solicitation addendum?

**A7:** See Section 4 in the Instructions to Vendors Submitting Bids. Also, this addendum’s purposes to publish responses to vendor questions and extend the bid opening date.

**Q8:** To ensure that Vendors are able to provide a responsive bid for the STO’s evaluation, Vendors must have sufficient time to review the questions and answers and appropriately incorporate that information into their bids. With this in mind, and given the impending Memorial Day holiday, is the STO willing to consider extending the bid opening date from Thursday, June 1, 2017 to Thursday June 8, 2017?

**A8:** Bid opening has been extended to 6/8/17 at 1:30 pm.

**Q9:** When attempting to access the information set forth in the hyperlink provided, an error message is received showing that “this page can’t be displayed”. Can the STO please confirm the hyperlink to access the Confidentiality and Information Security Accountability Requirements referred to in General Terms and Conditions, Section 31, or provide the document as an attachment?

**A9:** The link has been provided again for reference purposes.  
<http://www.state.wv.us/admin/purchase/privacy/default.html>

If this link does not work, please visit [www.wvpurchasing.gov](http://www.wvpurchasing.gov)

1. Click on the “Site Map” icon on the left side of the page;
2. Under the “About Us” heading, click on the “Privacy and Confidentiality” link;
3. The “Privacy and Confidentiality” page as mentioned in Section 31 of the General Terms and Conditions should appear.

**Q10:** Please clarify if the STO expects that the employees of Vendors providing professional auditing services for UP will be regularly employed on the grounds or in the building of the Capitol complex or will have access to information considered sensitive or critical under a contract resulting from this RFQ.

**A10:** The STO does not anticipate Vendors to be on the grounds or in the building of the Capitol or have sensitive or critical information pursuant to this section. However, the Vendor will have access to sensitive or critical information that is confidential and must be appropriately safeguarded pursuant to other sections of the RFQ.



- Q11:** Keeping in mind the STO's instructions not to include confidential or trade secret information in a Vendor's submission as outlined in Instructions to Vendors Submitting Bids, Section 21 and General Terms and Conditions, Section 32, please indicate whether Vendors must submit copies of their confidential quality control review reports (e.g. SSAE-16 / SOC 1 reports and/or ISO-27002 Compliance Reports) in response to Specifications, Section 3.4. If so, will the State agree to hold such information confidential and exempt from public disclosure as permitted under W. Va. Cod, §29B-1-4 (1) and (14)? Alternatively, would the STO accept a detailed overview description of all quality control reviews of the Vendor's work for the past two (2) years acceptable for the STO's evaluation? If that is not acceptable, would the STO agree to view the reports "in camera" via an e-room or other file sharing exchange whereby the information would remain on the Vendor's servers?
- A11:** The STO is willing to accept a detailed overview description of all quality control review of the Vendor's work for the past (2) two years.
- Q12:** Please clarify if the Holder shall act as agent for the STO when performing the services required in Specifications, Section 4.1.10.3 or if the Vendor shall act as agent for the STO.
- A12:** The holder.
- Q13:** It is unclear where Attachment 3, WVSTO Confidentiality and Non-Disclosure form is located within the RFQ. Can the STO please confirm where in the RFQ Vendors can find Attachment 3, or kindly provide the document as a separate file for completion?
- A13:** Attached – See Attachment 3.
- Q14:** At the time of the proposal submission, what business registrations are required for out of state vendors in order to be considered compliant with the terms of the solicitation?
- A14:** Vendors may bid without obtaining the licensing but all such requirements must be met prior to contract award.
- Q15:** Is a vendor not currently working in the State of West Virginia required to register with the Secretary of State in order to submit a proposal? (Reference 3 Qualifications 3.3 Location)
- A15:** No
- Q16:** Please clarify the meaning of Quality Control Review Litigation. (Reference 3 Qualifications, 3.4). What documents would qualify for external quality control review?
- A16:** Documents must identify and confirm that the Vendor provides quality audits in accordance with all applicable standards. Additionally, the STO is willing to accept a detailed overview description of all quality control review of the Vendor's work for the past (2) two years.
- Q17:** *Exhibit B: Property Type Codes and Abandonment Periods* – This sections omits NAUPA codes *AC01 – Checking Acct* and *AC02 – Savings Acct* as it begins with *AC03*. The Statutes provide a seven ("7") year dormancy prescription for interest bearing DDA and SAV accounts, and non-interest bearing accounts a five ("5") year dormancy prescription. How should the auditor distinguish between interest bearing and non-interest bearing accounts in the event of discovery? What code should the auditor use for each?
- A17:** An updated Exhibit B has been provided.

Q18: In the event that the holder wishes to revise the State's "Standard Release Agreement," or provide one of their own, is the State open to considering?

18: Yes, the STO has provided a sample release agreement that is used in most audits. However, the STO does work with Holders to ensure the release agreement is acceptable to both the Holder and the STO.

Q19: Relating to Exhibit D, West Virginia State Treasurer's Auditing Guidelines:

a. Examination scope: §36-8-21 *Records Retention* (a) – promulgates that holders must retain records for 10 years. (b) promulgates a 3 year record retention period for business associations or financial organizations that sells, issues or provides to others for sale or issue, negotiable instruments of which they are responsible. Considering these facts, what is the State's proposed audit scope for examinations? Is it 10 years or 3 years?

A19a: The proposed audit scope for examinations will be dependent on the particular audit at issue.

b. *Phase III: Examination of Recent Period; Consistency – Section 2.3.2.* References site visits in multiple instances. Is it the State's expectation that all examinations shall be conducted onsite?

A19b: It is likely that most audits will require a site visit with the Holder. However, at this time, the STO is unable to determine that all audits will need to be conducted onsite.

c. What is the expected timeline for examination completion?

A19c: Dependent on the audit at issue. A reasonable time for some audits may be approximately a year while others may take several years due to different circumstances.

Q20: Exhibit D, West Virginia State Treasurer's Auditing Guidelines appears to be missing a page(s) as it goes from 1.1.4 to 2.2.2. Could you please provide the full guidelines?

Additionally, the Guidelines found at

<http://www.wvtreasury.com/Portals/wvtreasury/content/Unclaimed%20Property/Business%20Holders/WVSTOAuditingGuidelinesRevisedFeb2009.pdf> appear to be a different version. Please confirm that the Guidelines provided pursuant to the previous question are the correct and current Guidelines.

A20: The attached guidelines are correct. We are in the process of updating those listed on the STO's website. Exhibit D is attached.

#### **OTHER INFORMATION:**

1. The bid opening has been extended from 6/1/17 to 6/8/17 at 1:30 pm.
2. There are three (3) attachments to this addendum –
  - a. Attachment 3 – Non-Employee Confidentiality/Non-Disclosure Agreement
  - b. Exhibit B – revised
  - c. Exhibit D

# ATTACHMENT 3

## WEST VIRGINIA STATE TREASURER'S OFFICE NON-EMPLOYEE CONFIDENTIALITY / NON-DISCLOSURE AGREEMENT

I am the person (Recipient) named at the end of this Confidentiality / Non-Disclosure Agreement (Agreement), who may have access to information of the West Virginia State Treasurer's Office (STO) that may be considered confidential. I acknowledge and agree that:

1. Certain matters may be disclosed to me that should remain confidential or proprietary;
2. Confidential Data includes any information residing on STO Information Resources; all data, materials, products, technology, computer programs, specifications, manuals, business plans, records, software, financial information, and other information disclosed or submitted, orally, in writing, graphically, machine recognizable, or by any other media, to me that is stamped "confidential," "proprietary" or with a similar legend; or that I have been informed is Confidential Data or proprietary information;
3. Confidential Data does not include any data, information or device that is:
  - in my possession from another source without restrictions on use or disclosure;
  - independently developed by me;
  - available without breach of this Agreement; or
  - produced or disclosed pursuant to applicable law, rule, regulation or court order;
4. I shall not disclose or use the Confidential Data in a manner in violation of this Agreement without the express written consent of the State Treasurer or Assistant State Treasurer;
5. I shall not disclose or use the Confidential Data in a manner that violates any law;
6. I will hold in strict confidence anything that is considered Confidential Data or proprietary within the meaning of this Agreement;
7. I shall not disclose to any person not specifically authorized to receive, have or view any Confidential Data or proprietary information;
8. disclosure or unauthorized use of any Confidential Data or proprietary information will cause irreparable harm and loss to the STO and may violate various laws of the State of West Virginia and the United States;
9. the STO may take whatever steps it considers appropriate to protect its Confidential Data, and in the event I disclose or use, or permit any disclosure or use of, any Confidential Data without authorization from the State Treasurer or Assistant State Treasurer, such steps may include termination of any agreement or arrangement under which I work;
10. I shall not use any Confidential Data as a basis upon which to develop or have another entity develop any product or service without the express written consent of the State Treasurer or Assistant State Treasurer; and
11. I will report, in writing, any unauthorized use or disclosure of the Confidential Data of which I become aware.

WITNESS THE FOLLOWING SIGNATURES:

(STO)

(Recipient)

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# EXHIBIT B

## WV Property Type Codes

CODE	PROPERTY	YEARS
<b>BANKS &amp; FINANCIAL INSTITUTIONS</b>		
AC01	Checking Accounts	5
AC02	Savings Accounts	7
AC03	Mature CD or Save Cert	7
AC04	Christmas Club Accounts	7
AC05	Money on deposit to secure funds	5
AC06	Security Deposits	5
AC07	Unidentified Deposits	5
AC08	Suspense Accounts	5
AC99	Aggregate Account balances	5
<b>COLLEGE SAVINGS ACCOUNTS</b>		
CS01	Cash	3
CS02	Mutual Funds	3
CS03	Securities	3
<b>COURTS &amp; GOVERNMENT ENTITIES</b>		
CT01	Escrow Funds	1
CT02	Condemnation Awards	1
CT03	Missing Heir Funds	1
CT04	Suspense Accounts	1
CT05	Other Court Deposits	1
CT08	General Receiver accounts	1
CT09	Court Ordered Refunds/Restitution	1
CT13	Bonds deposited with the Court	1
CT99	Aggregate Court Deposits	1
<b>DEMUTUALIZATION</b>		
DM01	Cash	5
DM02	Stock	5
<b>HEALTH SAVINGS ACCOUNTS</b>		
HS01	Health Savings Account	3
HS02	Health Savings Account - Investment	3
<b>INSURANCE</b>		
IN01	Individual Policy Benefits or Claim Payments (Regardless of insurance type; does not include amounts reportable under IN03 or IN04)	5
IN02	Group Policy Benefits or Claim Payments (Regardless of insurance type; does not include amounts reportable under IN03 or IN04)	5
IN03	Amounts due beneficiaries from a life or endowment insurance policy or annuity	3
IN04	Amounts from matured or terminated life insurance policies, endowments or annuities	3
IN05	Premium Refunds (Includes all other life insurance premium refunds not covered by IN04)	5
IN06	Unidentified Remittances	5
IN07	Other Amounts Due Under Policy Terms	5
IN08	Agent Credit Balances	1
IN99	Aggregate Insurance Property	5
<b>TRADITIONAL IRA, SEP IRA, SARSEP IRA AND SIMPLE IRA'S</b>		
IR01	Cash	3
IR02	Mutual Funds	3
IR03	Securities	3
<b>ROTH IRA'S</b>		
IR05	Cash	3
IR06	Mutual Funds	3
IR07	Securities	3
<b>LAW ENFORCEMENT</b>		
LE01	Law Enforcement - Cash	6 months
LE98	Law Enforcement - Tangibles	6 months
<b>MINERAL PROCEEDS AND MINERAL INTERESTS</b>		
MI01	Net Revenue Interests	5
MI02	Royalties	5
MI03	Overriding Royalties	5
MI04	Production Payments	5
MI05	Working Interests	5
MI06	Bonuses	5
MI07	Delay Rentals	5
MI08	Shut-In Royalties	5
MI09	Minimum Royalties	5
MI99	Aggregate Mineral Proceeds	5
<b>MISCELLANEOUS CHECKS AND INTANGIBLE PERSONAL PROPERTY</b>		
MS01	Wages, payroll, or salary	1
MS02	Commissions	1
MS03	Workers' Compensation Benefits	1
MS04	Payments for Goods and Services	5
MS05	Customer Overpayments/Credit Balances--Retail only	3

# WV Property Type Codes

CODE	PROPERTY <sup>03</sup>	YEARS
<b>MISCELLANEOUS CHECKS AND INTANGIBLE PERSONAL PROPERTY (Continued)</b>		
MS06	Unidentified Remittances	5
MS07	Unrefunded Overcharges	5
MS08	Accounts Payable	5
MS09	Credit Balances/Accounts Receivable	5
MS10	Discounts Due	5
MS11	Refunds due	5
MS12	Unredeemed Gift Certificates	3
MS13	Unclaimed Loan Collateral	5
MS14	Pension and Profit Sharing Plans (IRA, KEOGH, e.g.)	3
MS15	Dissolution or Liquidation Funds	1
MS16	Miscellaneous Outstanding Checks	5
MS17	Miscellaneous Intangible Property	5
MS18	Suspense Liabilities	5
MS99	Aggregate Misc Property	5
<b>SAFE DEPOSIT BOXES AND SAFEKEEPING</b>		
SD01	Contents of safe deposit boxes	5
SD02	Contents of any other safekeeping repository	5
SD03	Other Tangible Property	5
SD04	Safe Deposit - Proceeds from the sale of contents	5
<b>SECURITIES</b>		
SC01	Dividends	5
SC02	Interest (Bond Coupons)	5
SC03	Principal Payments	5
SC04	Equity Payments	5
SC05	Profits	5
SC06	Funds Paid to Purchase Shares	5
SC07	Funds for Stocks and Bonds	5
SC08	Shares of Stock (returned by post office)	5
SC09	Cash for Fractional Shares	5
SC10	Unexchanged Stock of Successor Corporation	5
SC11	Other Certificates of Ownership	5
SC12	Underlying Shares	5
SC13	Funds for Liquidation/Redemption of Unsurrendered Stocks or Bonds	5
SC14	Debentures	5
SC15	U.S. Government Securities	5
SC16	Mutual Fund Shares	5
SC17	Warrants (Rights)	5
SC18	Mature Bond Principal	5
SC19	Dividend Reinvestment Plans	5
SC20	Credit Balances	5
SC21	Liquidated Mutual Fund Shares	5
SC99	Aggregate Security Related Cash	5
<b>TRUST, INVESTMENTS, AND ESCROW ACCOUNTS</b>		
TR01	Paying Agent Accounts	5
TR02	Undelivered or Uncashed Dividends	5
TR03	Funds held in Fiduciary Capacity (such as, trust, guardian, estate, etc.)	5
TR04	Escrow Accounts	5
TR05	Trust Vouchers	5
TR99	Aggregate Trust Property	5
<b>UNCASHED CHECKS</b>		
CK01	Cashier's Checks	5
CK02	Certified Checks	5
CK03	Registered Checks	5
CK04	Treasurer's Checks -- West Virginia Checks (6 Month Dormancy), All Other Checks (5 Year Dormancy)	6 ms or 5 yrs
CK05	Drafts	5
CK06	Warrants	6
CK07	Money Orders -- Financial Institutions (5 Year Dormancy), Entities other than Financial Institutions (7 Year Dormancy)	5 or 7
CK08	Traveler's Checks	15
CK09	Foreign Exchange checks	5
CK10	Expense Checks	5
CK11	Pension Checks	3
CK12	Credit Checks or Memos	5
CK13	Vendor Checks	5
CK14	Checks Written off to Income or Surplus	5
CK15	Other Outstanding Official Checks or Exchange Items	5
CK16	CD Interest Checks	5
CK99	Aggregate Uncashed Checks	5
<b>UTILITIES</b>		
UT01	Utility Deposits	2
UT02	Membership Fees	2
UT03	Refunds or Rebates	2
UT04	Capital Credit Distributions	5
UT99	Aggregate Utilities	2

\*\* Public Agencies - Use the most applicable property type code, but report all property with a 1 year dormancy.

REQUEST FOR QUOTATION  
CRFQ STO170000006 - Professional Auditing Services

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**Exhibit C**

**STANDARD RELEASE AGREEMENT**

This Standard Release Agreement ("Agreement"), effective the \_\_\_\_\_, 20\_\_, is made by and between the West Virginia Office of the State Treasurer, Unclaimed Property Division ("the STO") and \_\_\_\_\_ (the "Holder").

**WHEREAS**, \_\_\_\_\_ on behalf of the West Virginia Office of the State Treasurer, Unclaimed Property Division, has performed an unclaimed property examination, pursuant to the provisions of West Virginia Unclaimed Property law to determine the Holder's compliance with the West Virginia Unclaimed Property law (the "Unclaimed Property Law"), and

**WHEREAS**, based upon the results of the examination, \_\_\_\_\_ has reported and remitted to the State on behalf of the Holder certain funds, securities and other intangible property that constitute unclaimed property pursuant to the Unclaimed Property Law, and

**WHEREAS**, the Holder recognizes that the Unclaimed Property Law requires that apparent owners of certain types and amounts of property be notified within a specified time period that the Holder is in possession of property subject to the Unclaimed Property Law, and

**WHEREAS**, the Holder certifies that is has complied with those notice requirements of the Unclaimed Property Law, and has complied with the remaining provisions of the Unclaimed Property Law;

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH:**

The parties covenant and agree follows:

1. **Compliance:** Based upon the Holder's certification as to its compliance with Unclaimed Property Law notice and abandonment period requirements, and based upon the reporting and remitting of the identified property to the STO, the STO acknowledges that the Holder has complied with the provisions of the Unclaimed Property Law, with regard to the property reported. The identified property, if any, is listed on the attached Schedule A.
2. **Release:** In consideration of the good faith reporting and remitting of the identified property to the STO, the STO releases the Holder, and if applicable, any transfer agent, dividend or interest disbursing agent, or registrar, from any liability arising hereafter with respect to the reported and remitted property, pursuant to the Unclaimed Property Law. In further consideration of the good faith reporting and remitting of the identified property, the STO agrees to waive any applicable interest and penalties which might otherwise be imposed pursuant to Unclaimed Property Law.
3. **Reimbursement:** The STO further agrees to reimburse the Holder pursuant to the requirements of the Unclaimed Property Law in the event that any person or entity claims



**REQUEST FOR QUOTATION  
CRFQ STO1700000006 - Professional Auditing Services**

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property previously delivered by the Holder to the STO, provided the property was reported and remitted to the STO in good faith, and provided that the Holder files proof of payment and proof that payee was entitled to the payment.

4. **Governing Law:** The laws of the State of West Virginia and the legislative rules of the STO shall govern all rights and duties under this agreement, including without limitation the validity of this agreement. In the event a lawsuit is brought involving this Release Agreement, venue shall be proper only in Circuit Court of Kanawha County, West Virginia. The parties hereby acknowledge jurisdiction of the courts of the State of West Virginia for purposes of this Agreement.
  
5. **Severability:** If any provision of this Agreement or any document referenced in this Agreement is found to be invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions which can be given effect without the invalid provision, and to this end, the provisions of this Agreement and any document referenced in the Agreement are declared to be servable.
  
6. **Effective date:** This release agreement shall be effective as of the date of the last signature.

**WITNESS THE FOLLOWING SIGNATURES:**

**West Virginia Office of State Treasurer  
Unclaimed Property Division**

**Holder**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Statement of Purpose**

The following guidelines contain policy and procedures governing the activities of Vendors of the West Virginia State Treasurer's Office (the "STO") conducting examinations under West Virginia's Unclaimed Property Program. These guidelines are designed to assist vendors performing audits in accordance with **RFQ for Professional Auditing Services to:**

1. See that the examinations are conducted objectively and impartially;
2. See that the examinations are completed promptly and without undue burden of holders;
3. See that confidentiality is maintained for records obtained from the STO and the holders; and
4. See that the holder under examination is fully apprised of its appeal rights.

**Authority to Conduct Unclaimed Property Examinations**

West Virginia State Code §36-8-20 provides authority for the STO, at reasonable times and upon reasonable notice, to examine the records of any person to determine whether the person has complied with the West Virginia Uniform Unclaimed Property Act. This same section provides authority for the STO to request that the unclaimed property examination be conducted by outside Vendors ("Vendors") pursuant to contract, on behalf of the STO.

**1. Initiating the Audit:**

- 1.1. **Opening Conference:** Prior to the opening conference, the Vendor must provide the holder with a copy of these guidelines and a copy of the STO's written approval authorizing the Vendor to perform the examination on the STO's behalf. During the opening conference, the Vendor must:
  - 1.1.1. Identify the time period to be covered by the examination and describe the general examination methods and procedures to be employed, including sampling and estimation.
  - 1.1.2. Explain any unique aspect of West Virginia's Unclaimed Property Law as compared to other states.
  - 1.1.3. Explain circumstances in which estimation techniques may be used, along with a description of the methodology that may be employed.
  - 1.1.4. Identify, in writing, the STO's examination liaison to whom the Vendor is accountable, including his or her full name, title, address, telephone and facsimile number, and advise the holder that it is free to discuss the examination directly with the liaison at any time regarding allegations of misconduct, unethical behavior, or significant disagreement relating to legal authority.
  - 1.1.5. Identify, in writing, each and every individual, who will take part in the examination.
  - 1.1.6. Explain that the holder shall directly remit to the Vendor any abandoned property identified during the examination as owing to the State of West Virginia. The Vendor shall be responsible for remitting the property to the STO.
  - 1.1.7. Explain the holder's appeal rights and procedures, and the Vendor's responsibility during the appeal process.
  - 1.1.8. Advise the holder of the provisions of the statute for notifying owners of their property. The Vendor shall notify the STO if due diligence has not been carried out by the holder.
  - 1.1.9. Advise the holder of its continuing obligation to report property to the STO.
  - 1.1.10. Advise the holder that all property remitted must conform to the requirements of the Act.

- 1.1.11. Inform the holder that any applicable penalties and interest may only be waived with written authorization from the STO.
- 1.1.12. Fully disclose to the holder its fee arrangement with the STO.
- 1.1.13. Explain and describe the components of the examination, as defined in these Guidelines.

**2. The Audit should consist of the following phases:**

**2.1. Phase I: Basic Information Gathering; Site Selection**

- 2.1.1. **Objective:** Where not all record keeping, accounting and abandoned property reporting are centralized, determine the particular entities/business units/third-party accounts to be examined in Phase II.
- 2.1.2. **Process:** This phase commences with a telephone conference call (the opening conference) between the Vendor and the holder, at which time the Vendor requests basic data. The holder is expected to respond to the data request within an agreed-upon time period not to exceed 30 days.

**2.2. Phase II: Devising the Examination Program for a Recent Period**

- 2.2.1. **Objectives:** To determine the amount of abandoned property generated during a recent period. To understand policies and procedures related to accounting for and reporting abandoned property during the recent period. To determine the amount of outstanding liability related to the stale-dated and dormant amounts contained in the holder's presently maintained internal accounting system.
- 2.2.2. **Process:** This phase commences with a written information request from the Vendor to the holder. The holder is expected to be fully responsive to the Vendor's request within an agreed-upon time period not to exceed 30 days.

**2.3. Phase III: Examination of Recent Period; Consistency**

- 2.3.1. **Objective:** To test the holder's assertions regarding its creation and treatment of abandoned property for a recent period. In those instances where the results of the recent period indicate a proper treatment of abandoned property, or the failure to generate material amounts of abandoned property, to determine if these results would likely be reflective of prior periods.
- 2.3.2. **Process:** This phase commences with a written information request from the Vendor to the holder and includes a mutually agreed-upon date for a site visit. The site visit is expected to take place within 30 days of the information request. During the site visit, the Vendor analyzes the holder's books and records and selects items for testing. The holder is expected to produce documentation supporting its accounting for the items selected within an agreed-upon time period not to exceed 45 days. The Vendor then makes a second site visit to the holder at the agreed-upon date to review and analyze the documents produced.

**2.4. Phase IV: Detailed Testing Covering Entire Examination Period; Calculation of Amounts Due**

- 2.4.1. **Objective:** To determine the overall abandoned property due and owing for the entire period under examination. If, due to record retention policy constraints, less than the entire examination period will be examined, the Vendor must determine the base period to be utilized; calculate total abandoned property generated during the base period (*i.e.*, amounts that are abandoned, plus amounts suspended, plus amounts written off); extrapolate total abandoned property results from base period to entire period; then credit amounts actually reported and paid to the STO.

2.4.2. **Process:** This phase commences with discussions between the Vendor and the holder regarding the design of the Phase IV examination program. The design of the examination program is expected to take 30 to 45 days. The Vendor and the holder then decide upon a mutually agreed-upon date for a site visit. The site visit is expected to take place within 20 days of the end of the design of the Phase IV examination program. During the site visit, the Vendor performs testing procedures and select samples for testing. The holder is expected to produce documentation supporting its accounting for the items selected within 60 days. The Vendor then makes a second site visit at the expiration of the 60-day period to review and analyze the documents produced. If the holder believes it has been responsive to the Vendor, but the Vendor disagrees, the holder has an additional 30 days to provide additional documentation to the Vendor to support its position. Because many holders have multiple divisions, subsidiaries, and affiliates, and generate various types of property that require examination, separate analyses and reports will be prepared, so that the STO may receive property as amounts due are determined, and not wait for all areas to be completed.

## 2.5. Phase V: Closing Examination

2.5.1. **Objective:** To reach agreement with the holder on the amount of abandoned property due and owing.

2.5.2. **Process:** This phase commences with the provision of a draft report to the holder. The holder has 20 days to respond to the draft. Discussions are held with the holder to finalize the findings, which are expected to occur within 15 days of the holder's initial response. Promptly thereafter, the final report is issued.

2.5.3. The examination period will be extended to include any year subsequent to the years initially included if the examination is completed after additional report years have elapsed.

2.5.4. The holder should be informed that if it has fully reliable records for the examination period, there is no need for estimation techniques. The holder should also be informed that if it (i) wants to question the accuracy of its own records or (ii) does not have records for the entire period or (iii) believes that accessing those records would be excessively burdensome, then a sampling and extrapolation will be performed. If records do exist but are not electronically accessible and are too voluminous to have the Vendor manually keypunch or analyze them in a cost-effective manner, then the Vendor may similarly determine to perform estimation by means of sampling. The Vendor should advise the holder of the parameters of the sampling technique and try to reach agreement with the holder as to the integrity thereof. Failure to reach such agreement, however, should not halt the examination. The holder should be informed that if sampling techniques are used, the liability determined by the Vendor will represent a fair estimation only.

2.5.5. The Vendor should fully explain to the holder the appeal process and procedures as stated in Section 4. Further, the Vendor should obtain from the holder written confirmation acknowledging understanding of the appeal process and procedures.

2.5.6. After the holder and the Vendor have agreed to the amount deliverable, the Vendor will provide the holder and the STO with a final examination report summarizing the procedures performed and the conclusions reached, including the amount deliverable.

3. **Working Paper Requirements:** The Vendor is required to prepare working papers that provide documentary evidence of the work performed in the examination. The working papers provide the basis for the review and evaluation of the work of the Vendor and must be complete and accurate to provide proper support for findings, conclusions, and recommendations. Working papers must be clear and understandable, ensuring that supplementary explanations are not needed. Anyone using the working papers should be able to readily determine the purpose, nature, and scope of the work done and the Vendor's conclusions. Working papers must be legible and neat. The information contained in working papers should be restricted to matters materially important, relevant, and useful to the objectives established for the examination. The working papers are a record that should

be understandable to any professional many years later, whether or not the Vendor preparing the working papers is available. Each work paper should "stand alone" and include adequate cross-references. The format for individual working papers should contain the following:

- 3.1. **Headings.** All working papers should be identified with a heading that includes the name of the entity being examined, the dates of the examination period, a title describing the nature of the data on the working paper, and the examination identification number.
  - 3.2. **Signing, Dating, and Paginating.** Each lead working paper must be initialed and dated by the Vendor and the reviewer, and all pages numbered.
  - 3.3. **Source, Purpose, Scope, Procedures, Findings and Conclusions.** Each of these items usually appears on every working paper. Occasionally, only the source and purpose are required, particularly when documents are obtained for background information. Procedures are necessary when the purpose of the working paper does not make them self-evident.
  - 3.4. **Indexing.** The essential elements of an indexing system are (i) standard prepared index; (ii) total pages to each working paper; and (iii) sequential numbering of all pages after the assignment is completed. This ensures that all working papers are accounted for and allows the Vendor to detect any missing pages.
  - 3.5. **Cross-Referencing.** To highlight references among working papers, the cross-referencing page numbers should be written in red.
  - 3.6. **Legends and Tick Marks.** A legend should be included on each working paper that adequately explains audit procedures performed and represented by a particular tick mark. If several pages of information are to be tested, the tick mark legend should be on or referenced on the first page of the working paper.
  - 3.7. **Sampling Requirements.** The two possible approaches to sampling are nonstatistical and statistical. Regardless of the sampling approach selected, a Vendor must properly plan, perform, and evaluate the results of the sample in accordance with professional standards, i.e., Government Auditing Standards (GAS), Statement of Auditing Standards No. 39, promulgated by the American Institute of Certified Public Accountants (AICPA).
4. **Dispute Resolution:** In the event the Vendor and the holder are unable to reach an agreement as to the terms of the Vendor's final examination report, the holder may file an administrative appeal with the STO. In order to initiate the appeal process, the holder must complete Form UP-AR-01 or a letter containing the information referenced below and returns it to the STO within twenty days of filing the holder's initial response to the Vendor's draft report. Otherwise, the holder will be presumed to have agreed to the terms of the draft report.
- 4.1. The appeal must contain the following information:
    - 4.1.1. The name and address of the holder;
    - 4.1.2. The name and official title of each party participating in the process;
    - 4.1.3. The amount in question and the unclaimed property report years covered by the administrative appeal;
    - 4.1.4. A clear and concise description of each error that the holder alleges the Vendor made in its findings;
    - 4.1.5. A clear and concise statement of fact upon which the holder relies in support of each assignment of error;
    - 4.1.6. Whether a hearing is requested;
    - 4.1.7. The relief requested;
    - 4.1.8. The holder's signature;
    - 4.1.9. The date the form is completed; and
    - 4.1.10. Any other information that may assist the STO in reaching a decision on the matter.

- 4.2. The STO staff will review the appeal and work with the Holder to resolve issues. For issues which are not resolvable at the Division level, the Treasurer or his designated agent will review the appeal. If the holder has requested a hearing, the Treasurer or his designated agent will schedule a hearing, to be conducted in accordance with the provisions of the West Virginia Administrative Procedures Act. The Treasurer or his agent may also contact the holder or any other entity he or she considers necessary to reach a decision.
- 4.3. The Treasurer will issue a written decision to the holder and the Vendor. The decision will include findings of fact and conclusions of law.
- 4.4. Upon receipt of the Treasurer's decision, the Vendor must incorporate the terms of the decision in its final examination report, and must provide the report to the Treasurer and to the holder.
- 4.5. When a copy of the Vendor's final examination report has been provided to the Treasurer, the Treasurer will notify the holder in writing of any interest or penalties to be assessed. The holder may dispute the assessment of interest or penalties, within ten days of receipt of the notice of assessment, by following the procedures set forth in paragraph 7 above.
- 4.6. Any party adversely affected by the Treasurer's decision is entitled to judicial review thereof under the provisions of the West Virginia Administrative Procedures Act.
5. Correspondence: The examination report and any relevant correspondence should be sent to the Unclaimed Property Division at the State Treasurer's Office, 322 70<sup>th</sup> Street SE, Charleston, WV 25304.
6. Unclaimed Property inquiries should be directed to 1-800-642-8687.



**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFO STO1700000006**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

**Addendum Numbers Received:**

(Check the box next to each addendum received)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6  |
| <input type="checkbox"/> Addendum No. 2            | <input type="checkbox"/> Addendum No. 7  |
| <input type="checkbox"/> Addendum No. 3            | <input type="checkbox"/> Addendum No. 8  |
| <input type="checkbox"/> Addendum No. 4            | <input type="checkbox"/> Addendum No. 9  |
| <input type="checkbox"/> Addendum No. 5            | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Innovative Advocate Group, Inc.

Company

Keely DEmilia

Authorized Signature

June 5, 2017

Date

**NOTE:** This addendum acknowledgement should be submitted with the bid to expedite document processing.

STATE OF WEST VIRGINIA  
Purchasing Division

# PURCHASING AFFIDAVIT

**MANDATE:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

**"Debt"** means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Innovative Advocate Group, Inc.

Authorized Signature: Tina Sabatino Date: June 5, 2017

State of New Jersey

County of Monmouth to-wit:

TINA SABATINO  
NOTARY PUBLIC OF NEW JERSEY  
Comm. # 50050868  
My Commission Expires 12/8/2021

Taken, subscribed, and sworn to before me this 5 day of June, 2017.

My Commission expires December 8, 2021.

AFFIX SEAL HERE

NOTARY PUBLIC