KPMG TRAIN

A customized and automated unclaimed property application solution

Multifaceted organizations require a new approach to unclaimed property compliance.

Faced with increased institutional risks and technical complexities, many organizations require a new approach to unclaimed property compliance— one that seeks to find efficiencies through automation, facilitates customer retention, and is customizable to the unique systems and needs of the company. KPMG Tax Research and Information Network (KPMG TRAIN) was designed to address these issues.

KPMG

The challenges

All states in the U.S. and numerous foreign jurisdictions have complex and varied requirements for reporting unclaimed property on an annual basis. Unclaimed property can arise in many forms, including, but not limited to, uncashed checks, aged credit balances, inactive customer accounts, investment products, securities, and many other types of obligations held by companies and owing to others. The statutory triggers for classification of property as "unclaimed" varies widely among the jurisdictions, and, as many companies subjected to multijurisdictional audits have learned, the risks and costs associated with noncompliance can be high, with many jurisdictions enforcing strict penalty and interest provisions and utilizing third-party audit firms to conduct costly and intrusive audits. With frequent legislative changes and enforcement trends to track, maintaining an adaptable and up-to-date compliance program is a challenge borne by almost all holders.

Until now, many companies have struggled with several age-old questions:

- How can we be sure we are appropriately capturing all data elements necessary from numerous systems, legal entities, divisions, business units, and product lines/service offerings to drive compliance?

- How do we minimize data manipulation errors and handle large volumes of records?

- How can we be sure we are not over or underreporting unclaimed property?

- How can we minimize institutional risks and protect relationships with our customers?

The KPMG TRAIN application solution

KPMG TRAIN is an entirely customizable application offered only by KPMG LLP for development and deployment in a client's environment. KPMG TRAIN offers clients the ability to centralize and automate the unclaimed property compliance process, reducing the time required to help ensure proper compliance. KPMG TRAIN may reduce overall institutional risks and long-term compliance costs for clients by helping to ensure that all data is captured in the unclaimed property reporting process and by allowing for the generation of customized reports and outputs to give customized, on-demand insights into the reporting process.

KPMG TRAIN addresses several needs and challenges encountered by holders in the unclaimed property compliance process, including:

- **Captures relevant data files and elements** spread across multiple source systems, business units, product lines, and/or legal entities

- **Applies custom rules** to unique property types and non-U.S. property, including rules based on the specific interpretations of conflicting state laws and administrative guidelines made by each holder

- **Interfaces multiple source systems** to link information and capture account activity at an owner level

- **Automates source data formatting** to facilitate annual unclaimed property reporting

- **Creates an audit trail** of data access and user activity.

Key features of KPMG TRAIN Unclaimed Property (UP) application

Data security: Deployed in client's environment with ability to set security controls, thereby limiting risks with sharing data outside your organization.
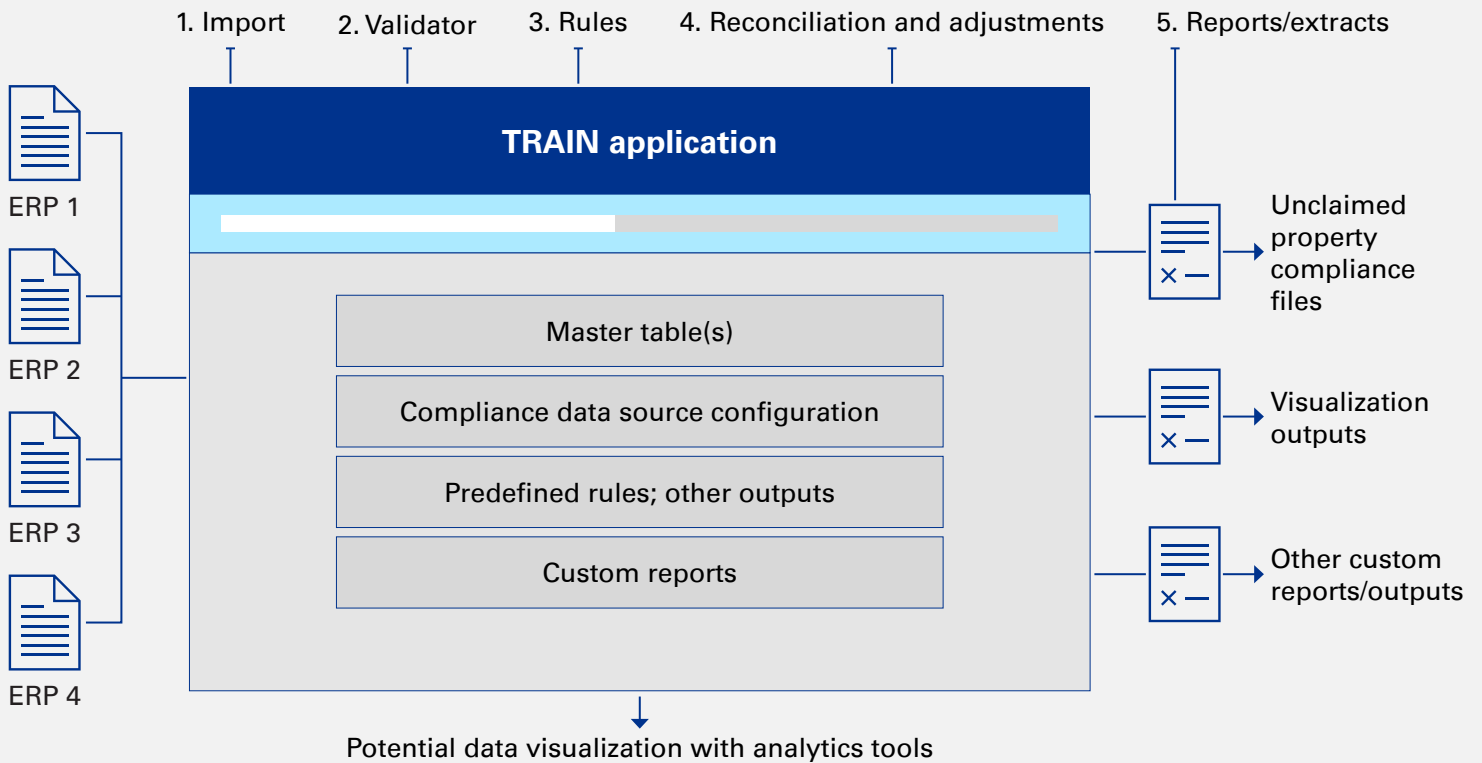
Reduced errors: Links directly to client source systems to gather necessary data elements and reduce human errors.

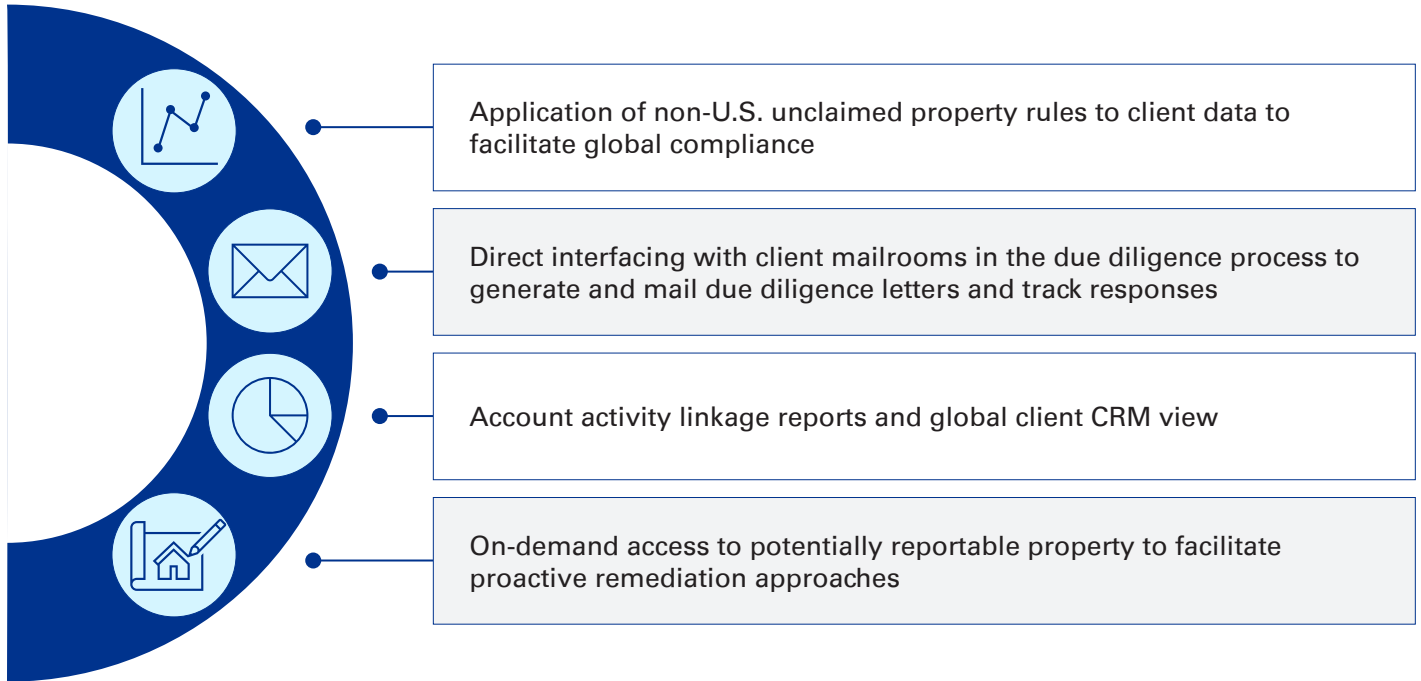**Customer retention:** Customized reports and functionality facilitates activity linkage and account retention.
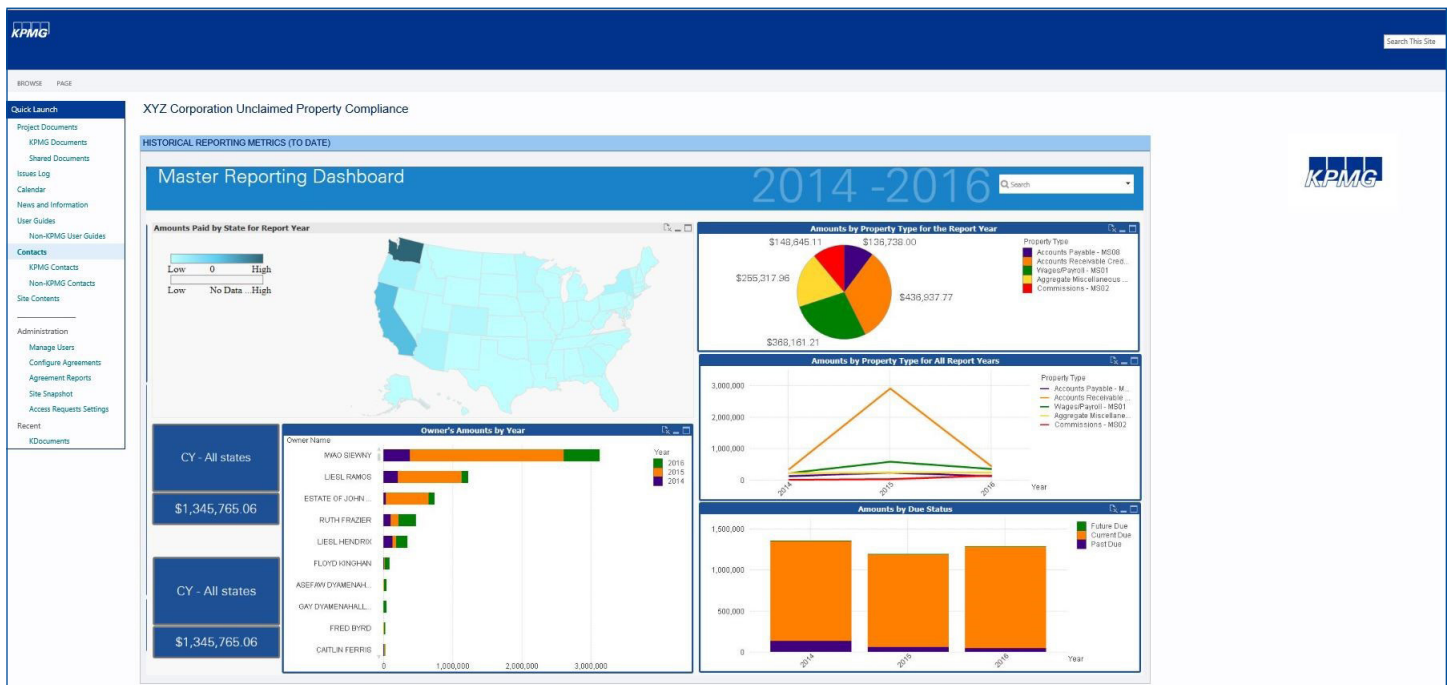
KPMG TRAIN application model

1. Import **2. Validator** **3. Rules** **4. Reconciliation and adjustments** **5. Reports/extracts**

ERP 1
ERP 2
ERP 3
ERP 4

TRAIN application

Master table(s)

Compliance data source configuration

Predefined rules; other outputs

Custom reports

Unclaimed property compliance files

Visualization outputs

Other custom reports/outputs

Potential data visualization with analytics tools

Key features of KPMG TRAIN

• Ability to aggregate, validate, and normalize multiple source system data feeds for data elements necessary to complete an unclaimed property eligibility analysis	• Ability to interface directly with all types of source systems, including homegrown and legacy accounting systems
• Ability to customize rules interpretations and applications against data and analyze corresponding impacts (e.g., application of inactivity versus returned from post office standard as trigger)	• Access to standard and customized outputs and reports, including account linkage reports, custom summary/management reports, data visualizations, due diligence mail files, and past/present/and future due analyses
• Customized user permissions and access controls based on seniority, business unit, etc.	• Application program interfacing (API) functionality
• Adherence to client-required data security protocols	• Minimizes risks of human data collection, manipulation, and formatting errors

Options for customization

KPMG TRAIN can be customized to work directly with client source systems and data and to produce customized outputs. Feasible customizations include:

Application of non-U.S. unclaimed property rules to client data to facilitate global compliance

Direct interfacing with client mailrooms in the due diligence process to generate and mail due diligence letters and track responses

Account activity linkage reports and global client CRM view

On-demand access to potentially reportable property to facilitate proactive remediation approaches

Further, tailored dashboards and other visualization outputs facilitate management reporting and provide a detailed window into the unclaimed property compliance process. A sample data visualization is below:

About KPMG's Unclaimed Property practice

At KPMG, we are passionate about delivering unclaimed property service offerings to clients that aid them in navigating the complexities of unclaimed property compliance in efficient and automated ways. We take deep personal accountability, both individually and as a team, to deliver quality service to our clients and show value in each of our engagements. Our KPMG TRAIN unclaimed property application is a customized service offering that seeks to minimize risks associated with the unclaimed property compliance process. Highlights of KPMG's unclaimed property services include:

A dedicated national practice. KPMG's National Unclaimed Property practice comprises professionals who possess deep and technically diverse unclaimed property experiences. Our team members are routinely recognized for their unclaimed property experience in a wide range of industries. We take pride in our thorough knowledge of state compliance requirements, trends, and developments. This knowledge base and broad array of perspectives allows us to stay focused on meeting our clients' core needs while remaining mindful of emerging issues and ways to mitigate organizational risks.

Significant technology resources. Deployment of an automated application solution requires experience in technology, systems design, and implementation. KPMG has significant resources that focus on the development and deployment of automated applications, and we stand ready to bring those resources to the table. Engaging KPMG to assist with unclaimed property matters means having access to multidisciplinary resources outside of your core engagement team, including our KPMG Ignition colleagues who are experienced in assisting clients in retrieving and analyzing complex data sets from their source systems and identifying and implementing system improvements to drive efficiencies in the escheatment process. Further, our Washington National Tax group gives clients increased access to a deep bench of technical specialists able to tackle a wide range of unclaimed property and related issues.

Industry experience. Your KPMG team has specific experience helping other diverse financial institutions and broker/dealers in a variety of unclaimed property compliance and consulting capacities. Our knowledge and experience with issues arising in your industry are leveraged to drive further efficiencies in the solution deployment.

Other unclaimed property services

In addition to the KPMG TRAIN solution, KPMG's National Unclaimed Property team provides clients with a range of consulting and compliance services. We pride ourselves in our abilities to meet the needs of our clients through commitments to quality, communication, and innovation.

KPMG unclaimed property services		
Consulting	**Compliance**	**Process improvement**
Audit defense and risk assessments	Compliance matrices	Data rehab and clean-up filings
Voluntary disclosure agreement support and completion	Legislative tracking and updates	Holder asset recovery
Penalty and interest calculations and abatement	Due diligence production, mailing, and response tracking	Statutory exemptions analysis
Policies and procedures and leading practices development	Report preparation and filing support	Better address, next of kin, and death master file search and outreach programs
Mergers and acquisitions due diligence	Past, present, and future due liabilities analysis	Data analytics
Remediation and reduction planning	Foreign jurisdiction guidance	Education and training module development and deployment

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