WATERFIELD ENERGY

Escheat / Due Diligence

Introduction

Waterfield's Escheatment process has been expanded to provide these features:

- Ability to group the running of the Escheatment process by table configuration
- A more granular view of which step a payment is in within the escheatment process on the Owner Amounts screen

Escheat Scheduling

Steps for setting up and running the Escheat process:

Setup

Populate new Code Tables

Populate the new code tables "Filing Period Groups" and "Escheat State" (**Global Setup / Code Tables**).

- The "Filing Period Groups" table is where you indicate the names of the various periods for scheduling the Escheat process.
- The "Escheat State" table is a list of states involved in the Escheat process.

Set up the Escheat Rules (**Global Setup / Escheat Rules**).

Escheat Rules tab

The Escheat Rules screen ties the Filing Period Groups and Escheat States together and is used to set up the Escheat processing terms. An escheat rule should be set up for each filing period group / state combination (example: Spring / Oklahoma, Spring / Kansas, Spring / New Mexico).

Escheat all Funds Checkbox

The Escheat All Funds checkbox has two main purposes.

1. If there is an owner who is being escheated one year, the state would like to cut the time and effort of escheating all of those funds one year at a time, and go ahead and escheat all outstanding payments to that interest owner role and

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interest owner function combination immediately. Therefore, if one payment qualifies for escheatment, than all others with the same combination on the Owner Amounts page need to be escheated along with this batch. This logic overrides the Escheat Date (having a production date that is earlier or equal to the escheatment start date) (As long as they are in an escheatable suspense code for that state, which is set up on the Suspense Codes tab).

2. If an interest owner and their eligible amounts are escheated one year, then going forward for the next year, all of their future amounts that will be put on the books going forward will be automatically eligible for escheatment the next year, regardless of their production date.

Example: running the escheatment process for 2014

If Bill has an owner amount with the production date of 1/1/2010, and that amount is eligible for escheatment, and the user ends up completing the escheatment process for those funds, then all future payments are eligible for escheatment for the upcoming year. Therefore all payments with a production date of 1/2/2010-Current Date that have Bill as an owner will be a part of the Due Diligence process (As long as they are in an escheatable suspense code for that state and the state Bill is located in has is set to "Escheat all Funds").

On the Interest owner Role Page, when the Escheatment process is completed, Bill's 'escheated' checkbox will automatically be checked. This will make sure that any owner amount belonging to Bill that was not caught in 2014, will become part of the Due Diligence process in 2015.

Suspense Codes tab

On the Escheatable Suspense Codes tab, select all suspense codes that the state requires to be escheated. The suspense codes are populated from the "Upstream Suspense Codes" code table.

Processes

Process Control Setup

Select the Filing Period Group and Filing Period Year in the Escheatment section (**Company Process Control / Process Control**)

Selecting the filing Period Year will effectively stamp a year with the Due Diligence Start Date in order to give a definite point to pull all owner amounts prior to or on this date for

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use in the Due Diligence Process. For example, the state rules will be 6/30 (MM/DD) for Escheat Start Date. When the user wants to run the process they will select the Filing Period Group = “Summer”, and the Filing Period Year = “2014”. This means we will apply the rules of that state in order to establish what dates to pull. The Escheat Period (set on the Escheat Rules page) comes into play here. So if the Escheat Rule had an Escheat Period of 2, this run of Due Diligence would check for owner amounts suspended with a production on or before 06/30/2012.

Due Diligence Process

Run the Due Diligence process (**Company Process Control / Process Control**).

- All Owner Amounts selected will have their ‘status’ on the owner amounts table changed from ‘Suspense’ to ‘Due Diligence’
- If this process is rerun with the same Filing Period Group and Filing Period Year, any owner amounts that were not caught in the previous run will be picked up.

Finalize Escheatment Process

Select the Escheat Filing Process Group and run the Finalize Escheatment process (**Company Process Control / Process Control**).

All Owner Amounts that have a status of ‘Due Diligence’ will be changed from “Due Diligence” to “Escheated”. Note that the “Escheatment Date” is the column that is stamped with the date in which the ‘Finalize Escheatment’ process is ran.

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