

Quick Guide for Michigan Lawyers Unclaimed Property (Escheat)

Lawyers holding funds or other items of value¹ for more than three years² should remit the funds pursuant to the [Michigan Unclaimed Property Act](#) following a due diligence search to locate the client. See [MCL 567.238](#). See also Ethics Opinions [RI-38](#), [RI-222](#), and [RI-384](#). “A lawyer may be reimbursed from the funds held for the expenses and costs of locating a missing client. The lawyer has the burden of showing such costs are reasonable. MRPC 1.5.” Ethics Opinion [RI-38](#).

This Quick Guide provides basic information regarding how to remit unclaimed property to the State of Michigan Department of Treasury. It is not legal advice nor ethics advice, and instead provides some procedural information to lawyers as to how to remit held funds and other items of value for a missing client to the State. For detailed information, see the [Manual for Reporting Unclaimed Property](#). See also, [Michigan Unclaimed Property – Official State Site](#).

Prior to submitting a holder report and the unclaimed property to the state, the lawyer must send written notice to the owner of the funds, whether that be a client or third-party. The notice must be sent to the last known address of the owner, informing them the lawyer has possession of the property. This notice can only be accomplished if the lawyer has an address for the client that appears to be accurate, the claim is not barred by the statute of limitations, and the property is valued at \$50 or more. See [MCL 567.238\(5\)](#). The notice must include that the property will be transferred to the State if a response is not received by a certain date. The notice must not be sent less than 60 days or more than 365 days before filing the report. Samples of due diligence letters may be found in the [Manual for Reporting Unclaimed Property](#).

Most lawyers will not need to file numerous holder reports for unclaimed property and, therefore, will likely submit reports using the [Manual Online Reporting](#) system. Reports must be submitted electronically.

Record Keeping: Reports and supporting documentation must be retained for 10 years. See [MCL 567.252](#).

Timelines: Generally, there is a three-year timeframe for remitting unclaimed property under MCL 567.223.³

Property Codes and Abandonment Periods: See Appendix A in the [Manual for Reporting Unclaimed Property](#).

Submission: Access the [Manual Online Reporting \(michigan.gov\) system](#). The [Manual for Reporting Unclaimed Property](#) includes screenshots of the reporting software.

- **Registration:** Enter your email and receive a “secret key.” Keep the code safe as it cannot be recovered if lost. If you have registered previously, login using your email and secret key.

¹ Property that may be filed as unclaimed property is defined in the State of Michigan’s [Manual for Reporting Unclaimed Property](#).

² Attorneys should periodically review Michigan’s Unclaimed Property Act for updates on the number of years unclaimed funds must be held prior to escheating those funds to the state.

³ Exceptions to the three-year time frame may be found within the Unclaimed Property Act, i.e., [MCL 567.248](#).

- **Holder Information:** Complete with your information.
- **Create a Record:** You may enter more records by returning to the main menu and creating another report before submitting.
 - **Owners** – You must have the owner’s last known address, even if mail was returned by the post office. If unknown, leave it blank. If there is more than one owner, there is an option within the system to add more owners.
 - **Property** – List the property held or amount to be remitted. You will also need account numbers for overpayments, refunds, or payee and purchaser name for cashier’s checks.
- **Summary:** Download a copy of the summary and retain the record for 10 years.
- **Final Review:** A link will be provided to remit the funds electronically or you may send a check made payable to “MI Dept of Treasury-Unclaimed Property” and include a Federal Employer Identification Number (FEIN) on the check to:

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909

Questions? Michigan Department of Treasury (517) 636-6940 or TreasUPDReporting@michigan.gov

This document does not constitute legal advice and is not an ethics opinion.