



## Guide to Unclaimed Property Gift Certificates, Electronic Gift Cards and Layaways

Refer to [North Carolina General Statute §116B-53](#)— *Presumptions of Abandonment*

### Gift Certificates

Unredeemed gift certificates bearing an expiration date are presumed abandoned three years after issue. The amounts are reportable regardless of whether names or addresses are available. The amount abandoned is deemed to be sixty percent (60%) of the unredeemed portion of the face value of the gift certificate. [North Carolina General Statute §116B-53\(c\)\(8\)](#) outlines the guidelines for reporting unredeemed gift certificates.

### Electronic Gift Cards

Electronic gift cards are similar to unredeemed gift certificates. Electronic gift cards that have an expiration date and remain dormant for more than three years after it was sold is deemed abandoned. The amount abandoned is deemed to be sixty percent (60%) of the unredeemed portion of the face value of the electronic gift card.

### Incomplete Records

Audits conducted by the North Carolina Unclaimed Property Division have found that owner information for unclaimed gift certificates and dormant electronic gift cards can be sparse. They are often issued as bearer instruments without reference to a name or a certificate number.

During a company's initial review, supporting records may not exist or may be incomplete for the reporting period. An estimate will be made to determine the liability for periods with incomplete or unavailable records. Estimates for the past due amounts, amounts due in the current year, and future reportable amounts will be calculated based on actual amounts in available records.

Historically, companies have not accurately tracked outstanding gift certificates and electronic gift cards. Tighter profit margins and increased understanding of good internal controls has increased the interest in this area.

### Report Value Paid

Gift certificates and electronic gift cards may be issued for a movie, dinner for two, hotel stay, or other personal service without referring to an amount. The dollar amount paid by the purchaser becomes the abandoned amount.

## **Layaway Deposits**

Unclaimed layaway deposits are presumed abandoned after three years per [North Carolina General Statute §116B-53\(c\)\(7\)](#). Unless a customer has knowingly signed a contract allowing the seller to take reasonable holding or restocking fees, the entire deposit is reportable. If a seller justifiably withholds delivery of goods because of a buyer's breach, the buyer is entitled to restitution of any amount by which the sum of his payments exceeds the aggregate payments received by seller from buyer under the contract, or fifty dollars (\$50.00), whichever is smaller per [North Carolina General Statute 25-2-718\(2\)\(c\)](#). If a charge is taken, a specimen contract must be provided.

## **Time Cannot Be Contracted, Fees Can**

Holders sometimes mistakenly believe that layaway deposits with a contractual time limit are exempt from unclaimed property reporting. [North Carolina General Statute §116B-71 \(a\)](#) specifically states that the expiration, whether specified by a contract, statute, or court order, does not preclude the property from being reported as unclaimed property.

3200 Atlantic Avenue • Raleigh, North Carolina 27604  
Telephone: (919) 814-4200 • Fax: (919) 855-5811 • [www.NCCash.com](http://www.NCCash.com)