

# Holder FAQ's

## Gift Certificates/Cards

**Q: What is Pennsylvania's Unclaimed Property Law regarding gift cards/certificates?**

**A:** Pennsylvania's Unclaimed Property Law requires gift certificates/cards to be reported as unclaimed property if they contain an expiration date and/or any fees. If a gift certificate/card does not contain any fees or an expiration date, it is exempt from being reported as unclaimed property.

Expiration Date?	Post-sale charge/Fee?	Reportable?	When?
no	no	no	- - -
no	yes	yes	3 years after date of issuance
yes	no	yes	2 years after expiration date
yes	yes	yes	2 years after expiration date

**Q: Our gift certificates/cards state "cannot be redeemed for a cash value" - why do we have to report them?**

**A:** This language means that you will not exchange the card for cash while it is still valid. It is still reportable based on the information listed in the above chart.

**Q: Even though our gift certificates have expiration dates, it is our company's policy to honor them if the customer tries to use them after they've expired. Why do we still have to report the funds?**

**A:** Pennsylvania Unclaimed Property Law requires gift cards that contain an expiration date to be reported as unclaimed property two years after expiration. If it is your policy to honor gift certificates after expiration, it is recommended that the expiration date be removed.

**Q: What are the new federal regulations for gift cards/certificates?**

**A:** Gift cards/certificates may not expire for at least 5 years from the date of issuance. Also, inactivity fees cannot be deducted unless the card hasn't been used for 12 months.

**Q: My company occasionally issues "reduced-rate" gift certificates for marketing purposes. Are these reportable as Unclaimed Property?**

**A:** Yes, however, only the consideration paid is reportable. For example, if a customer paid \$25 for a \$50 gift certificate, the amount paid (\$25) is reportable as unclaimed property. If the gift certificate/card contains no expiration date and/or no fees, it is exempt.

**Q: I just purchased a company. Does my company need to honor the gift cards/certificates issued by the previous company?**

**A:** It depends on your sales agreement and how outstanding gift cards were recorded, as either an asset or liability.