



SOUTH DAKOTA  
*Treasurer*

— JOSH HAEDER —

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FY26 Budget Overview

# FY26 Budget Overview

FY26 Proposed Budget \$ 39,728,142		
3201	3202 (informational)	3203
\$773,364	\$37,525,105	\$1,429,673

FY26 One-Time Requests \$14,856,000		
3201	3202 (informational)	3203
\$50,000	\$14,200,000	\$606,000

**\$823,364**

Treasury  
(General fund including one-time request)

**\$51,725,105**

Unclaimed Property  
(Other - Informational including one-time request)

**\$2,235,673**

Unclaimed Property  
(General fund including one-time request)

**5.1 FTE**

Treasury Staff

**5.9 FTE**

Unclaimed Property Staff

Partnerships



First **PREMIER** Bank  
Member FDIC

SD Banking Partner



**Elavon**  
Merchant Processing



LexisNexis  
UCP Data Verification



DAS **DISCOVERY**  
AUDIT SERVICES



**Treasury Services Group**



production **monkeys**  
UCP Marketing

EECS LLC



AUDIT SERVICES **US**

UCP Audit Services



**KELMAR**

UCP Software & Audit Services

## Office Staff

**Jason Williams**

Deputy Treasurer

### Treasury Staff

- ➔ **Melissa Hull**  
Treasury Manager
- ➔ **Penni Almond**  
Assistant Treasury Manager
- ➔ **Nicole Stasch**  
Finance Manager
- ➔ **Kimberly Lauing**  
Cashier Manager

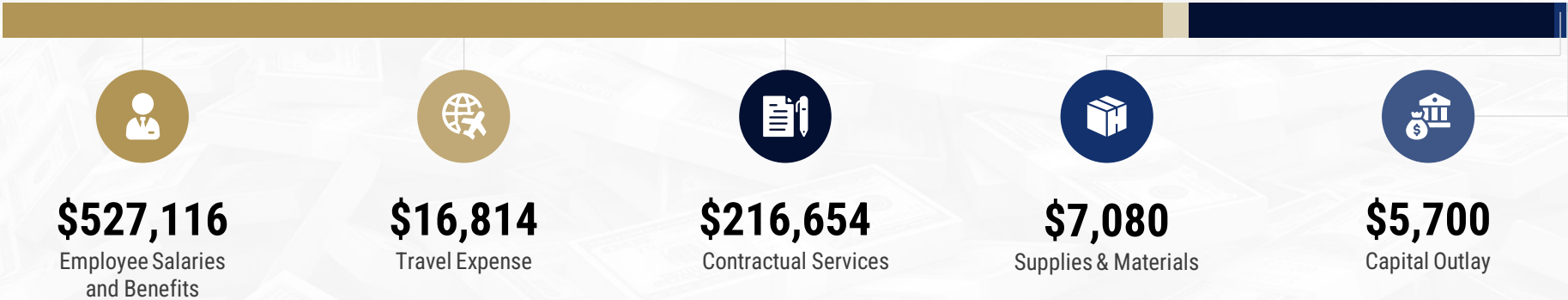
### Unclaimed Property Staff

- ➔ **Lee DeJabet**  
Unclaimed Property Administrator
- ➔ **Anissa Grambihler**  
Compliance/Portfolio Manager
- ➔ **Amy Ullmann**  
Claims Manager
- ➔ **Toni Kenefick-Aschoff**  
Claims Processor
- ➔ **Ashley VanDenOever**  
Outreach Manager

**The State Treasurer is the state's chief banking official.**

The state treasurer serves as the receiver and safekeeper of all public funds paid into the state treasury. The office manages the state's banking relationships and state fund transfers. Its primary responsibility is the depositor of all state public funds.

FY26 BREAKDOWN



# Treasury Services Metrics Deep Dive (FY24)

Total cash receipts processed  
**\$7,830,425,101**

➔ **6.36%** increase from previous fiscal year,

Total cash disbursements  
**\$8,501,292,500**

➔ Majority sent via ACH, **\$7,340,387,028**.  
325,806 Checks deposited from state agencies  
FY24.

➔ Veterinary student grants managed  
**\$400,614**

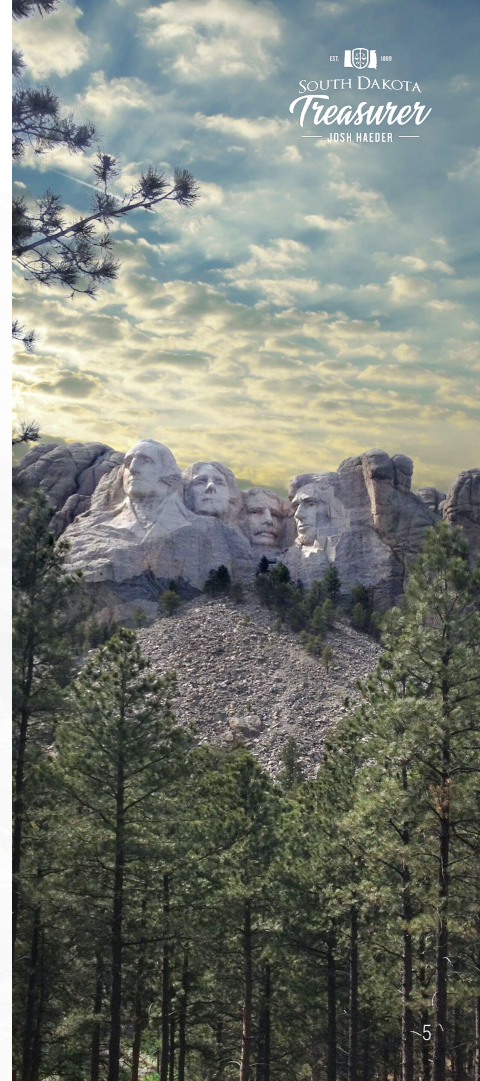
➔ Public deposits managed  
**\$3,541,001,168**

➔ Total number of public depositories  
**72**

➔ Public Defender funds distribution to counties  
**\$632,423**

➔ Abused and Neglected Child Fund  
**\$120,519**

➔ Interest earned on checking account  
**\$191,396**





# Public Deposit Reporting System (One Time Request)

Request Amount: **\$50,000.00**

Qualified public depositories (financial institutions) monitor their public deposits and ensure adequate collateral is in place. When collateral needs to be increased or decreased, the depository notifies *Office of State Treasurer* by submitting a PDF document by email or fax. From there, the requested changes are made by our staff in Microsoft Access.

## Current Public Deposit Reporting Process

Step 1

- Financial institution emails or faxes public deposit collateral information to OST (pdf form). This happens day to day
- **Why?** Public deposits are required to have sufficient collateral.

Step 2

- Single OST staff member manually updates public deposit information daily in Microsoft Access.
- Issue: Updating depository records is manual and can only be done by OST. The multi-step process leaves room for significant error and can cause lag time start to finish for the depository.

Step 3

- Once public deposit is manually recorded, OST will email or call depository to verify that process has been completed.

## Issues

### Microsoft Access

- BIT has informed offices that Microsoft Access will become obsolete in 2026. Thus, we have no choice but to put a new system in place.

### Manual Process

- The reporting process is completely manual. From emailed and faxed paper documents from depositories to manual data entry of information from OST staff. The system is full of opportunity for manual data entry errors both from depositories and OST. This causes lag time in accurate reporting of public deposit collateralization.

# Public Deposit Reporting System (One Time Request) Cont.

Request Amount: **\$50,000.00**

## Solution

### BIT

A development request was submitted to BIT to develop a software-as-a-service system where banks can sign on to the state's single sign-on system as a user to request collateral changes; Treasurer's Office would electronically review and approve the requests. Software-as-a-service programs can easily be updated as technology improves.

### Risk Mitigation

A new system will eliminate manual data entry performed by depository and Treasurer's Staff and will allow depositories to also manage their information more easily. Depositories will have immediate access to their pledges on file and can more easily reconcile with their records.

### Ease of Reporting

The new system will include the ability for depositories to electronically submit their Quarterly Liability Reports, which is currently a separate process from the current database. Quarterly reports indicate if depositories are adequately collateralized compared to the amount of public funds held in their institution.

### Instant Access

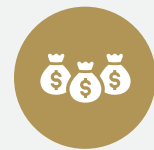
The new reporting system will allow public depositories instant access to their information along with the ability to make changes as needed. Treasurer's Office staff will be able to review, approve and respond to requests quickly and easily.

**Why Won't Microsoft Excel Work?** The Treasurer's Office currently manages data for 72 financial institutions daily. Databases enforce data rules to ensure consistency and accuracy, preventing errors that can occur when users edit the same data in a spreadsheet. Excel does not offer complex relationship handling, robust security features, efficient data retrieval, or efficient large volume data management. **Excel would not reduce or eliminate manual data entry.**

# Unclaimed Property FY26 Breakdown (excluding one-time request)

General Funds - \$1,429,673    Informational - \$37,525,105

## Combined \$38,954,778



The State Treasurer is holding hundreds of dollars in unclaimed funds.

The State holds these lost funds until they are claimed by either the original owner or their heirs.



\$581,835

Employee Salary and Benefits



\$32,911

Travel



\$2,904,397

Contractual Services



\$40,180

Supplies & Materials



\$10,000

Capital Outlay



\$35,385,455

Estimated Unclaimed Property Payments



# Unclaimed Property One-time Request

## FY25 One-time Request

**Combined \$200,000**

Data Matching Expenses

 **\$147,595** Contractual Services

 **\$52,405** Supplies & Materials

 **\$4,800,000** Estimated Unclaimed Property Payments

# FY26 One-time Request

**Combined \$606,000**

Data Matching Expenses

 **\$442,786** Contractual Services

 **\$157,214** Supplies & Materials

 **\$14,200,000** Estimated Unclaimed Property Payments

Website Translation Application Development

 **\$6,000** Contractual Services

# Unclaimed Property Data Match Request (One Time FY25 & FY26)

**Request Amount: \$800,000**

**What is Data Matching?** South Dakota Division of Unclaimed Property compares South Dakota Unclaimed Property records against available records through Accurant by Lexis Nexus (Accurant® for Government, is a point-of-need investigative solution that enables government agencies to locate people, detect fraud, uncover assets, verify identity, perform due diligence and visualize complex relationships).

- Records are successfully matched for values of \$2,500 or less.
- Properties are assigned to a claim for each individual owner, reducing the number of “refund” checks printed.
- A detailed Notice of Claim Refund letter is sent to the verified claimant address accompanied by a ‘refund’ check for the amount owed to the claimant.

UCP data match program will be executed over an 18-month timeframe (cost breakdown on next slide).

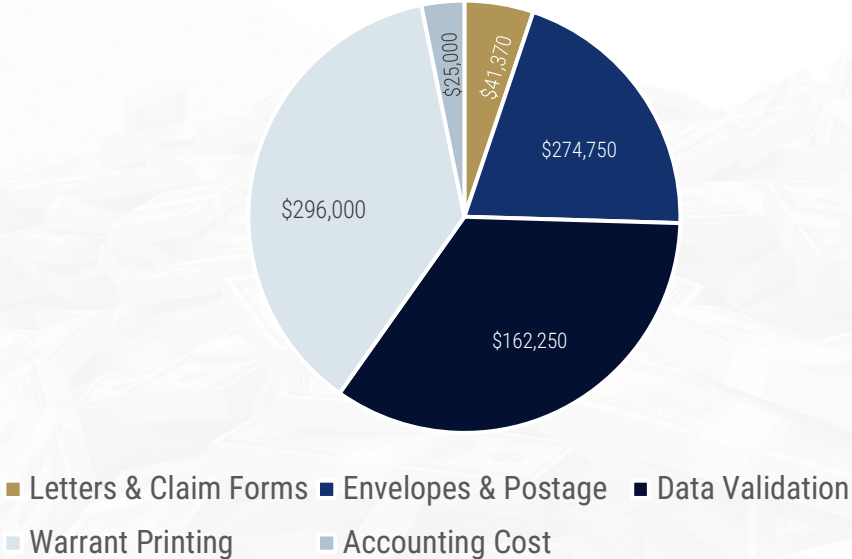
South Dakota Properties	Total Value of Properties	Return Breakdown
<ul style="list-style-type: none"><li>• 208,000</li><li>• Look back years: <b>2013-2024</b></li></ul>	<ul style="list-style-type: none"><li>• <b>\$19m</b> (Properties \$2,500 or less 2013-2024)</li></ul>	<ul style="list-style-type: none"><li>• FY25 - \$4.8m (50,000 claims)</li><li>• FY26 - \$14.2m (150,000 claims)</li></ul>

**Why?** South Dakota is obligated to make a true good faith effort to return funds to rightful owners. Data matching is conducted by 17 states and growing. Our first obligation must be returning funds to rightful owners.

# Unclaimed Property Data Match Request (One Time FY25 & FY26) Cont.

Request Amount: **\$800,000**

### Data Match Expense Breakdown



### South Dakota Data Match

South Dakota Properties

- 208,651
- Look back years: **2013-2024**

Total Value of Properties

- **\$18,997,802**  
*(Properties \$2,500 or less 2013-2024)*

### National Data Match Results (17 States)

Total Properties

- 1.8m
- Look back years: **2017-2024**

Total Value of Properties

- **\$470m**  
*(Properties \$2,500 or less 2017-2024)*

\* The State holds these lost funds until they are claimed by either the original owner or their heirs. Unclaimed Property is NOT revenue.

# Unclaimed Property Numbers Breakdown

Total Unclaimed Properties Remitted to South Dakota: **2,547,970** - Dollar Value: **\$1,190,694,738.56**

## Global Numbers

Claimable Properties: **2,547,970**  
Dollar Value of Claimable Properties:  
**\$1.190.694.738.56**

Foreign Claimable Properties: **342,843**  
U.S. Claimable Properties (minus S.D.): **1.2 million**  
(approx.)

Total Claimable Properties less than 10yrs old:  
**1,863,253**

Total Claimable Properties less than 10yrs old  
value: **\$932,449,125**

**78.3%** of claimable property is less  
than 10 years old

Approx **21%** of total claimable property currently  
has no name or is listed as unknown

## South Dakota Numbers

Claimable Properties: **957,394**  
Dollar Value of Claimable Properties: **\$98,269,873**

# Properties Received before 12/16/2013: **267,741**

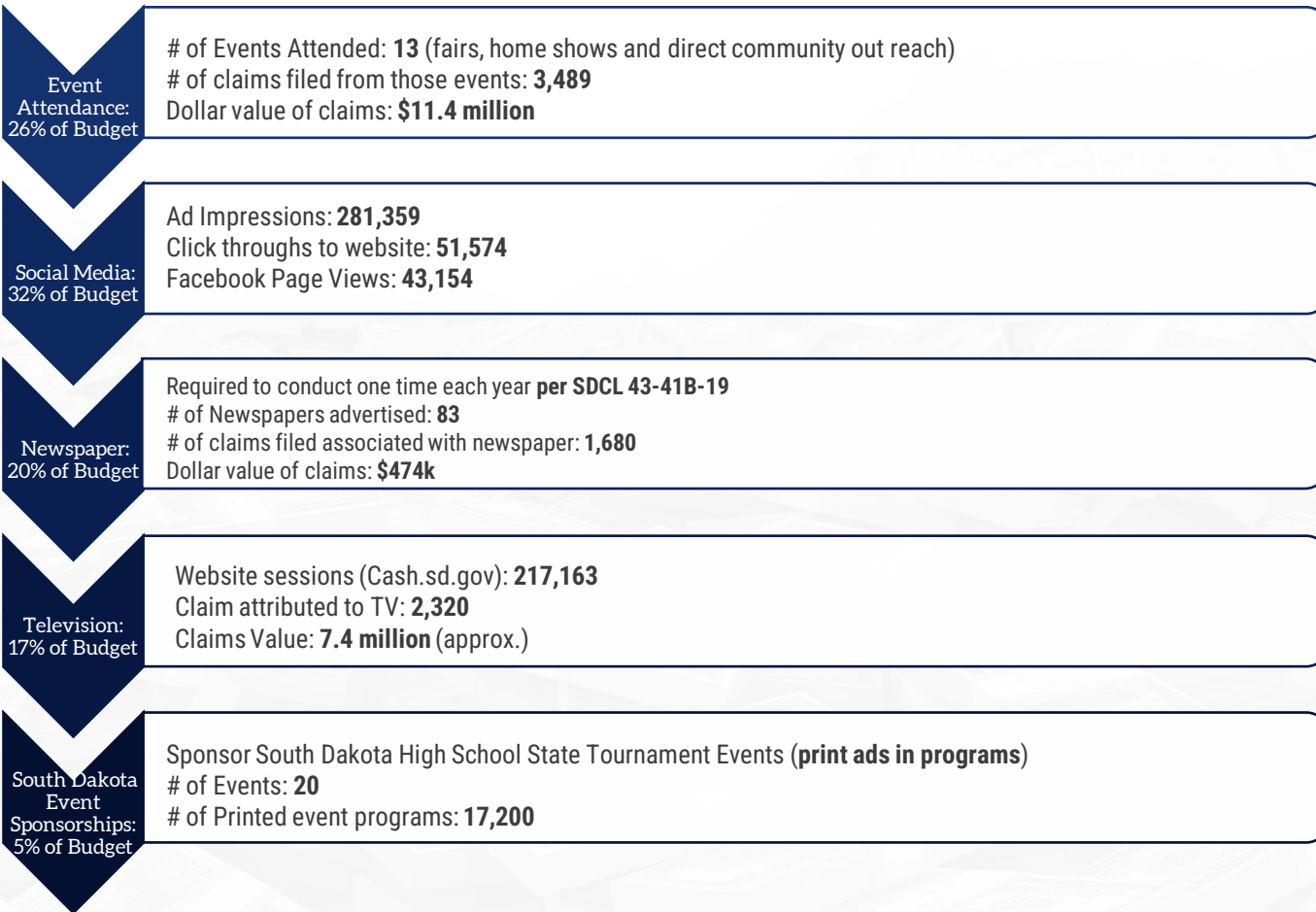
Value of Properties received before 12/16/2013:  
**\$23,036,227.84**

SD Properties less than 10 years old: **689,653**

SD Properties less than 10 years old value:  
**\$75,233,645**

**76.6%** of claimable property is less than 10 years old

# South Dakota Consumer/Holder Education



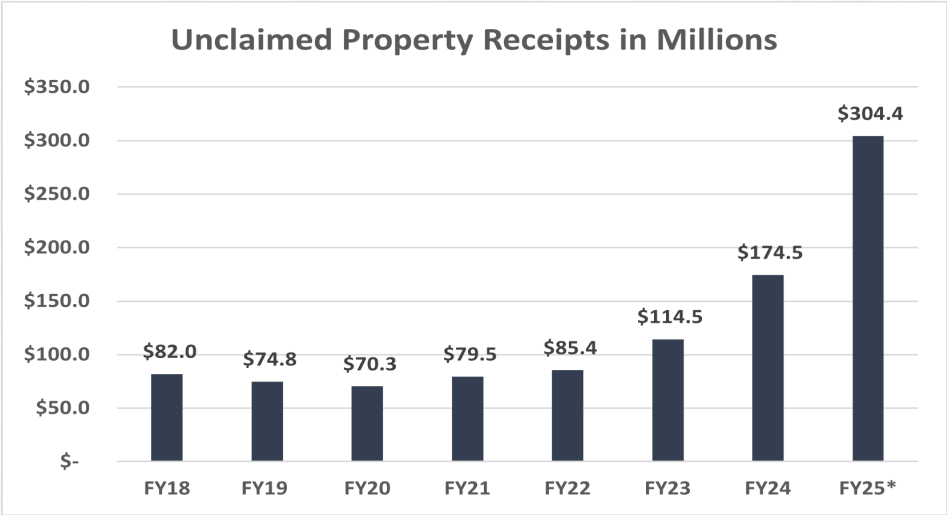
# UCP Historical Numbers

Total number of dollars returned through 12/31/2024

**\$25,354,830**



## FY25 UCP Receipts (collected) July-December 2024



➔ **\$304.4 million with another \$5-7 million expected** from life insurance report, stock sales and audits.

➔ FY24 total receipts were \$174.5 million, thus we will receipt in roughly **\$136.9** million more in FY25.

We attribute this to large foreign accounts, audits and increased large holder reporting.



# Risk Mitigation

Total number of rejected fraudulent claims 2024

266



The largest risk incurred by the South Dakota Treasurer's Office; Division of Unclaimed Property continues to be foreign (international) estate claims. These claims represent some of the highest dollar amount per claim often exceeding \$100k from combined accounts.



939

Claims tagged as high risk of fraud by KAPS Software System



The skill and sophistication of fraud attempts have substantially increased. Software allowing fabrication and falsification of photo images (smart phones) has made fraudulent documents better and more readily available. Recent fraud attempts are more professional and exhibit a thorough understanding of the escheatment and claim process.



\$19,907,811

Total dollar value on claims marked high risk fraudulent



## Foreign Risk Factors

1. An increasing number of claims originate from mainland China as well as Taiwan. The claimants have previously been students or have been employed in the United States. They have maintained their accounts in the United States. Due to political unrest between the United States and China these individuals are now filing claims.
2. An increasing number of claims are being filed by foreign nationals. These claims are heavily weighted to South American countries (Ex. Venezuela, Colombia, Chile, and Argentina). It is not uncommon for individual claims to exceed \$50k with claims over \$250k occurring. Foreign Nationals from these locations have historically engaged in regular travel to the United States. They have opened bank accounts in the United States to protect their wealth from domestic political and economic instability. Due to Covid restrictions these individuals found themselves unable to travel to the U.S., their bank accounts became dormant/unclaimed and were subsequently escheated. After resumption of travel, they are now discovering their U.S. accounts have been closed and balances transferred to South Dakota UCP.

# Future Request

UCP has **5** staff members. **4** focused on the claims process. UCP can process about **8,000** claims per year based upon staffing. Since 2010 look at the massive increase in both property and remitted cash. We need additional help if we want to return these funds. Unclaimed Property expenses, including staff are funded directly from unclaimed property dollars not taxpayer dollars.

ReportYear	PropertyCount	RemainingRemittedCash	RemainingSecuritiesCash	RemainingTangibleProceed
2007	16,586	\$ 6,407,360.24	\$ 263,962.07	\$ 5,244.39
2008	21,051	\$ 7,509,467.02	\$ 144,884.37	\$ 941.18
2009	23,816	\$ 6,590,905.06	\$ 173,860.01	\$ 1,277.42
2010	42,585	\$ 10,987,110.36	\$ 390,921.32	\$ 537.52
2011	70,995	\$ 20,683,734.70	\$ 734,720.03	\$ 3,657.45
2012	97,978	\$ 29,411,315.58	\$ 2,147,186.76	\$ 141.89
2013	222,207	\$ 97,484,592.85	\$ 3,586,634.79	\$ 3,850.44
2014	126,692	\$ 48,980,281.01	\$ 2,376,411.62	\$ 11,609.75
2015	103,779	\$ 46,627,248.07	\$ 1,113,426.35	\$ 5,970.52
2016	117,105	\$ 46,905,417.43	\$ 1,626,779.73	\$ 12,859.01
2017	149,269	\$ 50,143,880.71	\$ 931,132.87	\$ 45,690.85
2018	116,165	\$ 53,148,385.30	\$ 822,420.63	\$ 5,986.93
2019	146,084	\$ 55,925,881.49	\$ 1,020,347.74	\$ -
2020	136,154	\$ 57,189,425.93	\$ 2,881,956.23	\$ -
2021	198,453	\$ 61,701,866.70	\$ 2,088,449.56	\$ 5,706.60
2022	191,201	\$ 89,466,507.69	\$ 1,951,477.63	\$ -
2023	290,659	\$ 154,533,704.75	\$ 1,683,145.57	\$ -
2024	404,089	\$ 301,181,886.04	\$ 7,571.32	\$ -
	2,547,970	\$ 1,165,762,987.30	\$ 24,815,788.57	\$ 115,962.69
			Total Claimable Cash	\$ 1,190,694,738.56

## Staff size for funds similar in size to South Dakota

State	Total FTE:
• Alabama	9
• Louisiana	14
• Minnesota	10
• Missouri	14
• North Carolina	27
• Tennessee	14

# Questions?

Stop or call any time!