

Icahn School of Medicine at Mount Sinai

Unclaimed Property Policy & Procedures

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1. PURPOSE

This policy provides procedures and guidelines to ensure that the Icahn School of Medicine at Mount Sinai (the “School”) remain in compliance with respective presiding jurisdictions’ laws, regulations, administrative procedures, etc. relating to unclaimed property. The School is dedicated to complying with the unclaimed property reporting laws of every jurisdiction to which it may become accountable. Unclaimed property is generally intangible property that has not been claimed by its true owners for a period of time. It is the School’s goal to accurately and efficiently deliver payments to the owners by having internal controls in place that will mitigate payments required to be escheated back to each state and return property to the true owner where possible. If after three years property remains unclaimed, it must be escheated to its state. Some examples of unclaimed property typically handled by our company include but are not limited to:

- Outstanding accounts payable checks
- Unclaimed deposits
- Unclaimed student refunds
- Unclaimed credit balances on accounts receivable

2. PROCEDURES AND GUIDELINES

2.1 General/Responsible Parties

2.1.1 There are many departments within the School that are assigned responsibility for complying with the rules and regulations of abandoned property law. Each of these departments is responsible for the escheatment of all its unclaimed property. All escheatable unclaimed property must be on an outstanding check list or otherwise communicated to the Finance Department (Finance) Finance is responsible for compiling and maintaining an ongoing list of outstanding checks before sending a monthly list to the Accounts Payable Department (“Accounts Payable”). Accounts Payable performs its ongoing diligence to minimize escheatable unclaimed property, and sends an updated list of checks to Finance for its due diligence process. After due diligence is completed, Finance receives a list of checks from Accounts Payable to file its abandoned property to the necessary state.

2.1.2 The Accounts Payable Department (“Accounts Payable”) is responsible for receiving and reviewing the outstanding listing, performing diligence and ensuring checks are provided to finance to be escheated appropriately. By November 1st, Accounts Payable is responsible for providing a list of escheatable disbursements to Finance. The first part of the Accounts Payable’s diligence occurs by reaching out to the departments regarding outstanding checks older than 90 days (see Exhibit 1 for a sample communication).

2.1.3 The Student Financial Services Department (“Student Financial Services”) is responsible for reviewing students that are in a credit balance position in Empower (student receivable system), performing due diligence and ensuring checks are escheated appropriately. Student Financial Services is responsible for ensuring that students in a credit balance position are properly refunded through Sinai Central. If a student does not claim his/her refund check, it is the responsibility of Student Financial Services to ensure this credit balance appears on the outstanding check listing given to finance of escheatable checks.

2.1.4 The Central Billing Office (CBO) is responsible for monitoring patients in a credit balance position, performing due diligence and ensuring checks are escheated appropriately. The CBO is responsible for ensuring all patients that are due refunds, have been issued refund checks within 6 months of their latest transaction through Sinai Central. After the CBO performs due diligence, deems a check escheatable, it is responsible for submitting a list of checks to finance by February 15th each year to be escheated to the proper state. The CBO manages credit balances in EPIC and eIDX.

2.1.5 The New York Eye and Ear Infirmary (“NYEE”), practices and MD offices have the same responsibilities as the CBO. NYEE is responsible for ensuring that all patients that are due refunds, have been issued refund checks within 6 months of their latest transaction. Once these patients are issued refund checks through Sinai Central, NYEE is responsible for performing due diligence on that check and providing a list of escheatable checks to Finance.

2.1.6 For the departments that use Change Healthcare billing (“The Departments”), along with the assistance of Change Healthcare employees have the same responsibilities as the CBO. The Departments are each responsible for ensuring that all patients that are due refunds, have been issued refund checks within 6 months of their latest transaction.

2.1.7 The Payroll Department (“Payroll”) does not issue payroll checks to employees. Employees are paid either through direct deposit, a wire to a bank account or an employee pay card. Therefore there are no outstanding checks relating to payroll.

2.1.8 Human Resources (“HR”) is responsible for ensuring the benefit plans run as operated, while obtaining all of the necessary information from its participants. At the end of each fiscal year, Finance should obtain a list of open, unclaimed checks from the plan administrator with all of the necessary demographic information associated to the check. Finance is responsible for adding these unclaimed checks to the total list of outstanding checks it receives from other departments. These checks will follow the same due diligence as the other unclaimed checks.

2.1.9 Finance has many different responsibilities. Throughout the course of the year, Finance is responsible for reviewing and performing due diligence on all unapplied cash accounts. During the year, the School is paid money which gets transferred into unapplied accounts until it gets claimed by the applicable department. Finance is responsible for ensuring that the amounts get

claimed throughout the course of the year or get escheated to the appropriate state in accordance with state law.

Additionally, Finance oversees and reviews all of the different departments' processes that are responsible for preparing lists of escheatable disbursements. Once it receives the lists of escheatable disbursements, it is responsible for performing due diligence and ensuring all filings occur on time.

2.2 Specific Department Responsibilities

2.2.1 Each month, Finance is responsible for sending a list of outstanding checks to Accounts Payable. Using the information provided by Finance, Accounts Payable is responsible for performing diligence, prioritizing the higher dollar items. Diligence includes reviewing the payment information to ensure it is correct and/or reaching out to the responsible department or payee (i.e. CBO, Change Healthcare Departments, etc.) to determine if there are any issues with receiving and/or cashing the check. If a department asks Accounts Payable to void a check, refer to Exhibit 3 for a sample letter to be sent as a response to the department. If it is determined that the check should be voided and is no longer outstanding, supporting documentation will need to be attached to the void check request. The most common acceptable documentation is as follows: 1) either a letter signed by the payee that the check is not due or 2) documentation that shows the check was previously paid by another check. Any alternative forms of documentation would need to be approved by Accounts Payable and Finance before voiding the check. By November 1st every year, Accounts Payable is responsible for submitting a list of all applicable patient escheatable disbursements to the CBO, the remainder should be given to Finance to send out due diligence letters.

2.2.2 On a monthly basis, the CBO reviews credit balances in the billing systems to ensure patient refunds are processed routinely. Patients in the billing system should be summarized by Medical Record Number ("MRN") and then reviewed. There should not be an MRN with a credit balance for longer than 6 months from their last transaction without being issued a refund or it being written off (if deemed appropriate, with appropriate documentation). Before issuing a refund or writing off a credit balance, the CBO should cross reference each billing system by medical record number to see if the credit can be offset by an outstanding debit. In order to process a refund, there must be two or more sources of documentation showing the creation of the credit and detailed account history to verify the credit. This documentation will be retained by the CBO. However, if there is a patient credit balance less than \$5.00, a refund will be created automatically within the EPIC billing system. For further details on the credit balance review of the CBO, refer to Chapter #5, Policy 5-1 of the Revenue Management Manual. Once refunds are processed through Sinai Central and Accounts Payable, any checks that are not claimed, will appear on the outstanding check listing of Accounts Payable. Throughout the course of the year,

Accounts Payable will be reaching out to the CBO to research and follow up on old outstanding checks. Additionally, on an annual basis, Accounts Payable will provide the CBO with a list of disbursements that the CBO needs to send due diligence letters on (the same process done by Finance for other checks). The CBO maintains the client relationship with the School's patients and is the primary contact for all patient related communications. Lastly, the CBO is responsible for submitting a list of escheatable disbursements (by MRN) to Finance by February 15th annually, so Finance can submit to the appropriate state.

2.2.3 The Change Healthcare departments are responsible for reviewing and analyzing self-pay patient credit balances, by medical record number. Refer to the CBO's responsibilities at section 2.2.2 for the responsibilities of the Change Healthcare Departments.

2.2.4 The Student Financial Services Department is responsible for reviewing students in credit position for longer than 6 months on a semi-annual basis. If a student is in a credit position, the department is responsible for performing due diligence in order to determine why that student has a credit balance. If that credit balance is properly stated, and a refund is owed to the student, a check request must be submitted in Sinai Central and Finance will then be responsible for ensuring that check is escheated to the state, if appropriate.

2.2.5 Finance is expected to receive a list of escheatable disbursements by February 15th each year. Finance maintains a list of outstanding checks that is updated continuously throughout the year as checks are paid. If a check is outstanding for longer than a year, it is moved by Finance to a GL account for stale checks in December. Finance will receive a list of escheatable disbursements from Accounts Payable that are 3 years old and need to be escheated to each appropriate state. Finance will be responsible for contacting the payee by mail if the check amount is \$100 or higher. If the amount of the check is greater than \$1,000, than finance will mail a certified letter in accordance with New York State policy. Accounts payable is the point of contact for payee inquiries. Any check lower than \$100 will be escheatable to the state if it is still outstanding after three years. A sample due diligence letter is included in Exhibit 2. Finance will filter the list of escheatable checks by state in order to determine the list of states it is required to file to. All checks with international or unknown addresses will be filed to the state of New York.

Once due diligence efforts have been completed, one of the following will occur:

The original check will be voided and reissued. This will happen if it is determined that the original payment represents a valid payment and can be resent to the payee (either at the request of the payee or due to better information being available to reunite the property with its owner). Once the check is voided, it will no longer appear on the outstanding check listing for that period. Under no circumstances should a valid payment be voided without being reissued.

The original check will be voided without being reissued. This will happen if it is determined that the original payment represents an invalid payment, that is, it represents a duplicate or

erroneous payment, either through the review of the payment or based on a written response from the payee that no payment is due. Once the check is voided, it will no longer appear on the outstanding check listing for that period.

The original check will remain as a stale-dated check to be reported to the state. This will happen if it is determined that the original payment represents a valid payment and, after due diligence efforts, the payee cannot be located or otherwise does not respond to due diligence efforts. These checks will remain as outstanding and will appear on the outstanding check listing run for the same period until such time as the check is reissued at the request of the payee or it is escheated, whichever comes first.

2.2.6 Finance will maintain a full database of checks (outstanding, voids, etc.), in ACL based on monthly files of check listings received from the bank (JP Morgan Chase). Finance will use the database as a tool for a variety of purposes. The database will be used as a tool to help the monthly reconciliation process between the bank and GL balance (specifically with outstanding checks). Additionally, when finance files its abandoned property each year, finance will ensure the bank records are reflected appropriately. The database will also be used as a tool during ad-hoc projects throughout the year.

EXHIBIT 1 – Sample Ongoing Letter to Departments

Hi [Enter Department Contact],

We want to let you know that we are reaching out to maintain compliance with New York State Abandoned Property Law. See attached for a list of checks that are currently issued and outstanding for more than 60 days that are from your department. Could you please review the listing provided and confirm that each outstanding check is still appropriately issued (and outstanding) and does not need to be voided? If a check does need to be voided, we will need detailed supporting documentation illustrating the need to void the check. Examples of documented support include but are not limited to: proof of an error in the system showing there is no credit balance and that a check should not have been cut, proof of a wrong address where a check needs to be voided and reissued, etc. If there is no support, the system will not be able to void the check, and we must therefore hand it over to the state. If you have any questions, please let us know and we will be happy to work with you.

Thank you for your understanding.

The Accounts Payable Team



EXHIBIT 2 - Sample Due Diligence Letter

Finance – General Accounting

One Gustave L. Levy Place,
Box 4500

New York, NY 10029-6574

F 212-731-7306

Vendor Name

December 10, 2021

Dear Sir/Madam:

The records of Icahn School of Medicine at Mount Sinai, at the above address, indicate that the check mentioned below was mailed to you and may not have been cashed or deposited. The check details consist of the following:

Owner ID No:	Check Number:	000000000
Nature of Funds: ACCOUNT PAYABLE	Check Date:	00/00/00
	Amount:	

To prevent having these funds remitted to the state, **please provide** the status of this obligation by checking the appropriate box and completing the information request below:

_____ I have the original check and will cash it within the next week.

_____ Original check was lost and a replacement check was issued and cashed. As all accounts are current with The Icahn School of Medicine at Mount Sinai, the obligation no longer exists. Void the check and do not reissue.

_____ Original check was lost. The obligation still exists. Place a stop payment on original check and reissue. (Please complete information below).

Icahn School of Medicine at Mount Sinai **CANNOT** issue a replacement check without the following information.

Signature _____ Date: _____

Current Contact Information:

Name _____

Street Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____

If BUSINESS: **(MUST attach a Business Card)**

*Federal Employer Identification Number (must be 9 digits) _____

If INDIVIDUAL: **(MUST attach a copy of SS Card or Driver's License)**

*Social Security Number of Individual (must be 9 digits) _____

PRINT NAME _____ SIGNATURE _____ DATE _____

Other _____

Completed forms should be received before March 1, 2022. Replacement Checks will be issued three to four months after receipt of this completed and signed form.

Please return in pre-addressed envelope provided for your convenience. If you prefer, you can email the imaged documents to lina.carrasco@mountsinai.org. For any questions, please call Lina Carrasco at 646-605-4082.

William Ladue

Accounts Payable

EXHIBIT 3 –Sample Reply Letter to Departments

Hi [Enter Department Contact],

Thank you for getting back to us. We want to let you know that we are reaching out to maintain compliance with New York State Abandoned Property Law. Therefore, we are going to ask for some additional items before we can void checks in the system, but are happy to work with you. Going forward, before we can void any checks in the system, we need to receive a specific reason with documented support in order for us to void the check. Examples of documented support include but are not limited to: proof of an error in the system showing there is no credit balance and that a check should not have been cut, proof of a wrong address where a check needs to be voided and reissued, etc. If there is no support, the system will not be able to void the check, and we must therefore hand it over to the state. If you have any questions, please let us know and we will be happy to work with you.

Thank you for your understanding.

The Accounts Payable Team