

New York State Thoroughbred Breeding and Development Fund Uncashed Check Policy – approved by Audit Committee 5/29/14

Procedures:

Three (3) months – The Fund shall attempt to follow-up on checks not cashed within 90 days of the date issued by attempting to call all payees and/or send a letter notifying them of the outstanding check and procedures for replacing or forfeiting the check. If the check is a replacement (second check) and is not cashed within 90 days of issuance, the Fund will place a stop order on the check and award earners will forfeit their right to the award, with the money reverting back to the Fund.

Six (6) months – Checks outstanding for more than six (6) months are deemed to be “stale checks” and, as directed on the check, will not be cashed by the bank. The Fund shall attempt to contact all payees by registered mail to notify them that the check will no longer be honored and that arrangements must be made to replace the check. The letter will state that if no action is taken by the payee by the time the check has been outstanding for nine (9) months from the date of issue, the check will be considered forfeited and the money will revert back to the Fund.

Nine (9) months – If the payee has made no attempts to cash or replace the check, earnest efforts to contact stale check recipients prove unproductive and no replacement check is produced, the check will be considered forfeited and the money will revert to the Fund.

Attempts to locate:

In addition to mailing a registered letter to the payee, the following procedures will also be considered in attempting to locate a payee before forfeiture of a check occurs: telephone calls, e-mails or letters to known contacts or affiliates, and the use of online or paid search tools to obtain current contact information.

Fees:

The Fund may offset the cost of voiding or replacing checks, as well as the cost of locating award recipients, by charging fees to cover said expenses.

Accounting for:

An outstanding check will remain as an offset to the cash account until it has been outstanding for nine (9) months. At that time, the check will be voided and will revert to the Fund general account. The Fund will maintain documentation showing efforts to locate those who have uncashed checks.