

Mr. Wilson

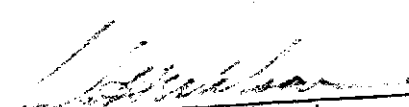
DIVISION OF MENTAL HEALTH AND HOSPITALS
Administrative Bulletin Transmittal Memorandum No. 28

January 21, 1983

SUBJECT: Administrative Bulletin 7:09
The Sale of and Accounting for the
Disposition of Patients' Unclaimed Personal Property

This Administrative Bulletin establishes a procedure for the disposition of patients' unclaimed personal property.

Fiscal and Management Operations Policy and Procedure No. 4, issued February 24, 1978, is hereby rescinded.


Richard H. Wilson, Director
Division of Mental Health and Hospitals

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DIVISION OF MENTAL HEALTH AND HOSPITALS

ADMINISTRATIVE BULLETIN 7:09

DATE: January 21, 1983

SUBJECT: The Sale of and Accounting for the
Disposition of Patients' Unclaimed Personal Property
Applicability: H

I. Purpose

To state the policy and procedure for the disposition of patients' unclaimed personal property at State psychiatric hospitals.

II. Authority

N.J.S.A. 30:4-132
Business Management Circular 5:03-1
DAG Opinion M77-3231

III. General

N.J.S.A. 30:4-132 provides that:

"Unclaimed personal property of deceased patients, and of other former patients of an institution supported in whole or in part by state funds, shall be held at such institution, awaiting claim therefore, for a period of one year, after which time, under the direction of the commissioner and at a time named by him, unclaimed property must be sold, at public or private sale. The proceeds shall be held by the chief executive officer of the institution until the end of the succeeding fiscal year, at which time he shall turn into the State Treasury all proceeds remaining unclaimed by the persons legally entitled thereto."

IV. Definition

This policy pertains to personal valuables such as jewelry and also to personal property such as savings bonds, stock certificates, American Express Travelers' checks, bank accounts, and similar items of value.

V. Responsibility

The Chief Executive Officer is authorized to act as the Department's agent for compliance with this policy.

VI. Procedure

A. Locating Next of Kin

Efforts shall be made to locate the heirs and/or next of kin of the patient. Letters shall be directed to relatives named in the patient's record, advising them of the existence of the property, stating further that unless the property is claimed within thirty days from the date of the letter that it will be sold at public auction.

B. Establishing Kinship and Value of Property

Verification shall be obtained from claimants to establish entitlement to the patient's property. This should be accomplished through the claimant's production of Letters of Administration, affidavit of next of kin or spouse or a certified copy of a probated will. Evidence should also be obtained that the value of the estate is less than \$2,500.

C. Preparing for the Sale

1. If it is determined that there are no heirs or next of kin, or if no response is received to the above inquiries, the property shall be offered for sale. An itemized list shall be prepared and a record maintained containing the name of the patient and a description of the property.
2. Jewelry items should be described as "yellow metal," "white metal," and "stone set" instead of "gold," "silver," and "diamond" unless the content is known.
3. There is discretion within the statutory authority to allow for the sale of an entire "package" in cases where a hospital has accumulated numerous items of patients' unclaimed personal property.

D. Advertising

Some method of bringing the sale to public attention should be utilized. This may be accomplished by:

1. Posting a list in suitable locations throughout the hospital containing the items to be sold and the name of the patient, and including a notice that unclaimed personal property will

be sold to the highest bidder, with the right reserved to reject any and all bids.

2. Placing a notice in a daily newspaper, circulating in the county where the hospital is located, at least once each week during the four weeks immediately preceding the sale using the following example:

" Take Notice that unclaimed personal property of deceased or former patients of the _____ Psychiatric Hospital at _____ will be offered for sale to the highest bidder on the _____ day of _____ 19____, at 10 o'clock in the morning at _____ building in the said institution. The right to reject any and all offers or bids is reserved.

Chief Executive Officer "

E. Conducting the Sale

1. The sale shall be conducted by responsible person(s) appointed by the Chief Executive Officer.
2. A record shall be made of the sale containing the names and addresses of purchasers, the items purchased, and the amounts paid. If possible, the items sold should be identified by the patient's name on this record.
3. The sale should be conducted as an auction.
4. Prospective purchasers should be allowed to examine the articles before the sale takes place.
5. All sales shall be final and items shall be paid for in cash or certified check.

F. Disposing of Sales Receipts


1. The proceeds of the sale shall be held by the Chief Executive Officer of the hospital until the end of the following fiscal year, at which time a full report of the sale, together with the names and addresses of purchasers and amounts received from each shall be made to the State Treasurer.

G. Escheat

In accordance with the State's escheat statutes, other unclaimed personal property of deceased or former patients of the psychiatric hospitals shall be returned to the State Treasurer after a statutory abandonment period has elapsed. This abandonment period varies according to type of property:

1. Savings bonds and stock certificates must remain unclaimed for a period of 14 years before they can be reported to the State Treasurer. These shall be returned by the hospital to the issuing authority after the statutory one year claim period.
2. American Express Travelers' checks must be reported to the State Treasurer after remaining unclaimed for 15 years. The hospital should return such checks to American Express after the one year claim period has elapsed.
3. Bank accounts should be returned to the bank to which they belong at the end of the one year claim period. The bank will dispose of them in accordance with the State escheat statutes which require an abandonment period of 20 years.

NOTE: Hospitals which are currently holding personal property unclaimed for the respective statutory periods should contact the Accounting Bureau for appropriate forms and instructions for reporting these items.


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Division of Mental Health and Hospitals