

**Division of Accounts and Reports
POLICY AND PROCEDURE MANUAL**

Revision Date 07/01/05

Date Issued 10/81

Revisions marked #

Filing Number 11,965

Page 1 of 4

SUBJECT

Payment of Previously Outlawed Warrants

PURPOSE

To provide procedures for the payment of warrants previously cancelled due to lapse of time (outlawed warrants).

AUTHORITATIVE REFERENCE

K.S.A. 10-509	K.S.A. 10-813a	K.S.A. 44-716	K.S.A. 46-924
K.S.A. 10-811	K.S.A. 39-710	K.S.A. 46-913	K.S.A. 46-925
K.S.A. 10-812	K.S.A. 44-712	K.S.A. 46-921	

GENERAL INFORMATION

Introduction

#Warrants not redeemed by the State Treasurer within one year of issuance may be outlawed at the discretion of the Director of Accounts and Reports in accordance with K.S.A. 10-811. A payee may still request payment of the obligation for which an outlawed warrant was initially issued. The Director of Accounts and Reports is authorized by K.S.A. 46-921, as amended, to make such payment if the claim is presented within four years after the date of cancellation. The amount to be paid will be the amount denoted on the outlawed warrant reduced by the lesser of 10% of the original warrant amount or \$30.

K.S.A. 46-924 provides that acceptance of the amount computed constitutes a complete release of any claim against the state by the payee of the warrant. If the claimant is unwilling to accept this provision, the claimant may proceed with a claim against the state as provided by K.S.A. 46-913.

Payment Funding

K.S.A. 10-812 requires the proceeds from outlawed warrants to be credited to the Cancelled Warrants Payment Fund, except as otherwise provided by law. Consequently, replacement of such warrants will be made from this fund for that purpose. In specific cases, the proceeds are returned to the funds from which the warrants were drawn. In these instances, the replacement of warrants will be made from the appropriate agency funds. Those agencies and the statutes exempting them from the provisions of K.S.A. 10-812 are: Department of Human Resources (K.S.A. 44-712 and K.S.A. 44-716); Kansas Public Employees Retirement System (K.S.A. 10-813a); Department of Social and Rehabilitation Services (K.S.A. 39-710); and State Treasurer (K.S.A. 10-509).

Division of Accounts and Reports POLICY AND PROCEDURE MANUAL

Revision Date 07/01/05

Date Issued 10/81

Revisions marked #

Filing Number 11,965

Page 2 of 4

Reporting Requirements

Payment of Previously Outlawed Warrants falls under K.S.A. 46-925 for reporting requirements. This statute requires that claims be reported to the Director of Accounts and Reports along with appropriate documentation and that upon request of any legislator, legislative committee or the Legislative Research Department or other legislative staff agency, the Director of Accounts and Reports shall compile and provide a report concerning all payments made.

#PROCEDURES

Responsibility	Action Step
----------------	-------------

Agency /A&R	1. Provides the claimant, upon request, a form AR-95, Claim for Warrant Cancelled One Year After Date of Issuance. Instructs the claimant to submit the completed form to the Central Services Team of the Division of Accounts and Reports.
-------------	--

A&R Audit Services Team	2. Reviews the submitted claim form for completeness.
-------------------------	---

If the claim form is incomplete, forwards the claim form to the A&R Central Services Team for notification to claimant of deficiencies.

If claimant is not the original payee (or "Estate of...") because the payee is deceased, forwards the claim form to the A&R Central Services Team for notification to claimant of required additional documentation if necessary.

If the claim form is complete, verifies information on the cancelled warrant claim form against the outlawed warrant listing. If that review confirms that the original warrant was outlawed, makes a notation on the outlawed warrant listing that a claim is being made for the outlawed warrant. The "Accounts and Reports Use" section of the cancelled warrant claim form is then completed.

If the warrant records disclose that the outlawed warrant claim was paid through issuance of another warrant, makes a notation of the facts in the "Accounts and Reports Use" section of the cancelled warrant claim form.

If the warrant records disclose that the original warrant was cancelled other than through the outlawed warrant process, makes a notation of the facts in the "Accounts and Reports Use" section of the cancelled warrant claim form.

**Division of Accounts and Reports
POLICY AND PROCEDURE MANUAL**

Revision Date 07/01/05

Date Issued 10/81

Revisions marked #

Filing Number 11,965

Page 3 of 4

3. When the review of the claim form is finished and the appropriate section of the "Accounts and Reports Use" section of the claim form is completed, the claim form is initialed and dated in lower right-hand corner of first page and forwarded to the A&R Central Services Team.
- A&R Central Services Team 4. If the claim form is incomplete, prepares a letter of instruction to the claimant and mails with the claim form. The claimant must correct any deficiencies and resubmit the claim to A&R

If the claimant is not the original payee (or "Estate of...") because the payee is deceased, prepares a letter of instruction to the claimant and mails with "Affidavit of Heirship" to be completed and returned along with death certificate if either document is not included with the claim form.
5. If the outlawed warrant claim was previously paid or the original warrant was cancelled other than through the outlawed warrant process, prepares and mails letter to the claimant advising that the claim cannot be processed. Enters the claim information into the Claims system and indicates the status of the claim as denied.

If the outlawed warrant claim has not been paid, enters the required claim information into the Claims system. The system assigns a claim number at that time.
6. Confirmed claims are processed at which time the statutory reduction of the lesser of 10% of the original warrant amount or \$30 is calculated. The net amount is paid only if greater than \$5 which is the statutory authority for payment.

Either a voucher or a letter is prepared through Claims system, depending upon the agency # entered.
7. If the proceeds from the outlawed warrant were credited to the Cancelled Warrants Payment Fund, a voucher is prepared and uploaded to STARS for processing. The transmittal form is faxed to DISC after the upload is complete.

Forwards the warrant and the remittance copy of the payment voucher to the claimant for warrants reissued from the Cancelled Warrant Payment Fund.

**Division of Accounts and Reports
POLICY AND PROCEDURE MANUAL**

Revision Date 07/01/05

Date Issued 10/81

Revisions marked #

Filing Number 11,965

Page 4 of 4

- | | | |
|---------------------------|-----|--|
| | 8. | If the proceeds from the outlawed warrant were returned to the fund from which the warrant was drawn, a letter is prepared and sent via electronic mail (e-mail) to the agency which issued the outlawed warrant. The letter will include the appropriate information for voucher preparation along with the required fee calculation. The agency will prepare and process the voucher against the appropriate funds of the current fiscal year. |
| A&R Audit Services Team | 9. | Reviews the payment voucher received from the state agencies preparing their own voucher. These vouchers are reviewed to assure acceptability and then processed. The resulting warrant is forwarded to the initiator. |
| A&R Central Services Team | 10. | Once a month or as necessary, STARS data is downloaded so the warrant information can be accessed by the Claims system for those outlawed warrant claims which were paid through the process described in this PPM filing. |
| Agency | 11. | Provides A&R with voucher #, warrant # and warrant date so the Claims system can be updated for those claims paid by the agencies for which the proceeds from the outlawed warrant were returned to the fund from which the warrant was drawn. |
| A&R Central Services Team | 12. | If requested by the legislature, prepares a report of those claims which were paid under this procedure. |

CONTACT SOURCES

Requests for assistance in processing payments of previously outlawed warrants or in completing form AR-95, Claim for Warrant Cancelled One Year After Date of Issuance, should be directed to:

Division of Accounts and Reports
Central Services Team