

STATE OF KANSAS – Office of the Chief Financial Officer

POLICY MANUAL - Payment of Previously Cancelled Checks

Revision Date 03/28/2018

Date Issued 10/81

Filing Number 11,965

SUBJECT

Payment of Previously Cancelled Checks

PURPOSE

To provide policy and procedure for the payment of checks previously cancelled due to lapse of time (outlawed/escheated checks).

AUTHORITATIVE REFERENCE

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

GENERAL INFORMATION

Introduction

Note that statutes refer to state payments as warrants. Within the current central accounting and payroll systems, these payments are referred to as checks. Within Policy Manual filing 11,965 state payments are also referred to as 'checks'.

Checks not redeemed by the State Treasurer within one year of issuance may be cancelled at the discretion of the Department of Administration and the State Treasurer in accordance with K.S.A. 10-811. Department of Administration policy is that all unredeemed checks are escheated after one year.

Effective July 1, 2013, under K.S.A. 10-811(d) as amended by HB 2139 passed during the 2013 Legislative Session, the cancelled checks payment fund was abolished. Cancelled checks shall be considered unclaimed property beginning with those checks dated July 1, 2008 (five years prior to the effective date of HB 2139). See Action Steps for Process A below.

A payee may still request payment of the obligation for which a cancelled check was initially issued prior to July 1, 2008. K.S.A. 46-924 provides that acceptance of the payment made constitutes a complete release of any claim against the state by the payee of the check. 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. See Action Steps for Process B below.

Payment Funding

K.S.A. 10-811(d) requires all balances from unpaid cancelled checks be transferred to the state general fund and shall be considered unclaimed property, except as otherwise provided by law. In specific cases, the proceeds are returned to the funds from which the checks were drawn. In these instances, the replacement of checks will be made from the appropriate agency funds.

The statutes exempting agencies from the provisions of K.S.A. 10-811(d) are: K.S.A. 39-710 (the social welfare fund) includes Department of Health and Environment, Department for

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Children and Families, and Department for Aging and Disability Services; K.S.A. 44-712 and K.S.A. 44-716 (the employment security fund) Department of Labor; K.S.A. 10-813a (the Kansas public employees retirement fund) Kansas Public Employees Retirement System; and K.S.A. 10-509 (the fiscal agency fund) Kansas State Treasurer. See Action Step for Process C below.

PROCEDURES

Responsibility

Action Step

Process A

State Agency

Provides the claimant/payee with contact information for the Unclaimed Property Division of the Kansas State Treasurer for checks dated on or after July 1, 2008.

www.kansascash.com

Phone: 1-800-432-0386 (toll free) or 785-296-4165

Claimant

Contact the Unclaimed Property Division of the Kansas State Treasurer to file a claim if it has been determined the claim is valid.

www.kansascash.com

Phone: 1-800-432-0386 (toll free) or 785-296-4165

Process B

State Agency

If the check is dated January 1, 1996 through June 30, 2008, provide the claimant form AR-95, Escheated Check Claim - Validation Form. Instructs the claimant to submit the completed form to the Office of the Chief Financial Officer, Central Systems Responsibilities Team.

Form [AR-95](#)

Central
Systems
Responsibilities

Reviews the AR-95 to determine if the claim is valid. If the claim is valid, Central Systems Responsibilities transfers the claim to Unclaimed Property. Central Systems Responsibilities notifies either the agency or the claimant that the claim is valid or not valid.

Claimant

Contact the Unclaimed Property Division of the Kansas State Treasurer to file a claim if it has been determined the claim is valid.

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Process C

State Agency

If the agency has had funds from escheated checks returned to the agency due to one of the statutory exclusions listed above, the agency is responsible for confirming the validity of the claim, and is responsible for denying or paying the claim.

CONTACT SOURCES

Requests for assistance in processing payments of previously cancelled checks or in completing form AR-95, Escheated Check Claim - Validation Form should be directed to:

Department of Administration
Office of the Chief Financial Officer
[Central Systems Responsibilities Team](#)